









Handwritten signature or scribble at the top of the page.

AMERICAN NEWS

ITC may hold inquiry into Eastern deal on Airbus

BY STEWART FLEMING

NEW YORK, June 13

THE U.S. International Trade Commission (ITC) will decide within the next two weeks whether to launch a formal inquiry into a deal under which Eastern Airlines will lease at least four A300B European Airbus passenger aircraft from the Airbus Industrie consortium.

Ray caught eight miles from prison

By David Bell

WASHINGTON, June 13.

MR. JAMES EARL RAY, hungry and nearly exhausted after 55 hours on the run, was recaptured early today only eight miles from the remote prison which he escaped on Friday afternoon.

The U.S. mineworkers' president seeks re-election to-day. Stewart Fleming, New York Correspondent, explains why the union is . . .

United in name only

"No, I don't think Arnold is paranoid. But he must be scared. When you have been through what he has seen it has got to leave a mark."

What Mr. Miller went through was one of the most vicious periods in the union's history, culminating in 1969 in the assassination of a previous reform candidate for the presidency, Joseph Yablonski.

"... the situation in large sectors of the coal fields adds up to one of the worst examples of business enterprise in the U.S., and it is one that is attracting increasing concern."

about the union's future is that organised pits, particularly strip mines in western states like Wyoming, are producing a bigger share. With working conditions widespread that a protracted strike—official or unofficial—is virtually inevitable when the contract expires or shortly afterwards.

Now, running for re-election, Miller has already lost the confidence of virtually the whole of the union executive as well as most of his former supporters at the union's headquarters. He has been under the sort of mental pressure which even the most hardened union leader would find it difficult to endure.

by major companies in other industries especially oil companies such as Continental and Occidental.

A documentary film shown recently in New York cinemas called "Harlan County" depicted a protracted strike which took place only a few years ago at a mine owned by the Duke Power Company.

While the brutality which accompanied the Harlan County strike is an extreme, the lack of understanding between management and labour which it symbolised is commonplace. Indeed, the federal mediation service has been working for years on a project to try and improve labour relations in the mines.

Overall, the situation in large sectors of the coal fields adds up to one of the worst examples of business enterprise in the U.S., and it is one that is attracting increasing concern.

A key element in President Carter's energy programme is a one-third increase in coal output to 1bn tons a year by the mid-1980s. That goal is in doubt already because of environmental questions and shortages of transport. There will be no chance of achieving it efficiently if labour relations in the coal industry do not improve.

Lévesque eases language line

BY ROBERT GIBBENS

MONTREAL, June 13.

THE QUEBEC government has slightly modified its proposals to make French the almost exclusive language of business in the province.

During the first week of hearings on the controversial Bill No. 1 in the National Assembly, however, Mr. Camille Laurin, Minister of Culture and Development, stood firm on the proposals for restricting access to English-language schools.

The original language White Paper proposals to make French the only official language of Quebec imposed rapid adoption of French on all business firms with 50 or more employees. In the actual Bill this has been changed to firms with 100 or more employees and the Government has now said the proposals will not apply to small firms for

at least a year. It would take that time to frame the rules.

The draft regulations just issued here on Francisation of the province's 500 employees and it is assumed the Government is heading the threats of national and international business that they will remove head offices from the province if the language rules prevent them from doing so.

Opposition parties agree the Government will most certainly alter the language legislation so that Canadian firms from other provinces entering Quebec will have access to the English public-financed school system.

Montreal Board of Trade chairman Mr. Bernard Finestone said the omission of head offices from the draft regulations is positive and means head

offices are going to be largely exempt from the provisions of the language Act.

Under the new rules firms with more than 500 employees would have to apply for Francisation certificates within one year of the passage of the Bill, but smaller firms could have three years. Francisation certificates are required if the company concerned wants to do business with the public sector and is tied in with the provincial purchasing preference.

For professionals—particularly engineers—the Government is easing its stand slightly. The language Bill says everyone must show proficiency in French as a professional if he wants to work in Quebec. The regulations now say there will be six language tests a year and a professional could go on applying until he passed a test.

U.S. proposes missile cut

BY OUR OWN CORRESPONDENT WASHINGTON, June 13.

THE U.S. has proposed to the Soviet Union that each nation's strategic arsenal of nuclear missiles be cut by about 10 per cent. below the level of 2,400 agreed three years ago, and is also suggesting a ban on the testing of land and sea cruise missiles with a range of more than 600 kilometres.

The New York Times reported today that these are the two main plants in the U.S. Administration's latest arms control proposals. The paper said that they were put to the USSR in Geneva last month at the same meeting at which the two sides agreed to a three-part framework which might lead to an accord.

These two substantive proposals are similar to those which emerged immediately after the talks, except that, apparently in response to pressure from Congress, the Administration has toughened its attitude on Cruise missiles. It appears that it is not willing, as had once been suggested, to suspend all testing of the land and sea versions of the Cruise, but may be prepared greatly to restrict the range of the prototypes tested.

According to the New York Times (and this could not be confirmed), the Administration is proposing that air-launched missiles should not be included in any agreement and should be allowed to be deployed with a range of 2,500 km. It is also reported that the Administration has asked the USSR to agree to halt installation of SS-18 missiles in place of other land-based missiles.

Both the Cruise and the SS-18 would apparently be among the issues which would be covered by the three-year protocol that is part of the so-called negotiating framework. While this would take care of issues on which much negotiating remains, there would also be a SALT II treaty embodying the 10 per cent. reduction in strategic missiles which would be similar to that agreed in Vladivostok three years ago.

Clashes expected at OAS

BY HUGH O'SHAUGHNESSY

CLASHES BETWEEN THE U.S. and some of the Parliamentary regimes on the one hand and the Right-wing military régimes of Latin America on the other over the question of human rights are expected at the annual meeting of the Organisation of American States (OAS) which opens to-day in Grenada.

Mr. Cyrus Vance, the Secretary of State, arrives to-morrow to lead a strong U.S. delegation which includes Mr. Philip Habib, the Under-Secretary of Political Affairs. The meeting follows hard on the completion of a long tour of Latin America by Mrs. Rosalynn Carter, whose attitudes to the human rights question during her stay in Brazil upset the Geisel Government in Brasilia.

Mr. Gale McGee, the U.S. ambassador to the OAS, said in Washington that the U.S. wanted the meeting to approve further powers for the Inter-American Commission on Human Rights whose actions the Chilean junta in particular has consistently sought to limit.

those five countries have been the principal target of criticism for their disregard of human rights. The U.S. is likely to be supported by Jamaica and Venezuela.

The meeting is being convened in Grenada in the midst of some little organisational and procedural disorder. There have been fears that hotel and airport capacity on the small Eastern Caribbean island would not be up to coping and the Government of Mr. Eric M. Gairy, the island's Prime Minister, has had to import chairs from the U.S. and cars from Japan for the occasion.

The meeting will also have to deal with the U.S. decision to reduce its share of the budget from two-thirds to 49 per cent. and with the vexed question of whether new and prospective OAS members, many tiny islands or mini-states, should have the same voting power as the U.S. or Brazil. The U.S. is thought to favour the grouping of mini-states such as Grenada and Dominica into blocs with one common vote.

Gulf documents warning

WASHINGTON, June 13.

GULF OIL Corporation documents that the company has warned are "potentially embarrassing" to several foreign governments are scheduled to be made public on Thursday and Friday this week by a U.S. Congressional sub-committee investigating the workings of an international uranium cartel.

The way for the release of the documents was cleared last Friday as the Sub-committee on Oversight and Investigations of the House Interstate and Foreign Commerce Committee voted 11-10 to reject Gulf's bid to keep the papers secret.

claims that the documents were subject to attorney-client privilege and that some had been classified secret by the Canadian Government.

Gulf's extensive participation in the cartel through a Canadian subsidiary previously has been reported. Critics of the Cartel arrangement, which was formed by the governments of uranium producers of Canada, France, Australia and South Africa, have charged it contributed to a seven-fold rise in the price of the fuel for nuclear power plants in the past five years.

Continental Bank of Chicago is willing to support more than your short-term needs.

Continental Bank is in the United Kingdom for many reasons. One of them is to finance your medium as well as short-term credit requirements.

We're committed to making funds available, tailoring loans to suit your cash flow, and providing constant personal service to ensure flexibility at every stage. Our U.K., European and worldwide resources enable us to provide your business with funds for working capital, acquisitions, project finance and capital expenditure programmes.

The structuring of loans to suit you, the customer, is one of the commitments that make Continental the bank of opportunity all over the world.

In London: City Branch: 58/60 Moorgate, E.C.2. Tel: 01-628 6099 West End Branch: 47 Berkeley Square, W.1. Tel: 01-493 9261 Merchant Banking: Continental Illinois Ltd. 14 Moorfields Highwalk, E.C.2. Tel: 01-638 6060

In Edinburgh: Representative office, 9 St. Colme Street. Tel: 031-225 2700

Other European Locations: Antwerp, Brussels, Liège, Dusseldorf; Munich, Frankfurt, Piraeus, Athens, Thessaloniki, Madrid, Rotterdam, Amsterdam, Milan, Rome, Paris, Vienna, Geneva and Zurich.

The bank of opportunity CONTINENTAL BANK Continental Illinois National Bank & Trust Co. of Chicago

Argentina, Australia, Austria, Bahamas, Bahrain, Belgium, Brazil, Canada, Cayman Islands, Colombia, Ecuador, France, Greece, Hong Kong, Indonesia, Iran, Italy, Jamaica, Japan, Kenya, Korea, Lebanon, Luxembourg, Malaysia, Mexico, Morocco, The Netherlands, Pakistan, Peru, The Philippines, Singapore, Spain, Switzerland, Taiwan, Thailand, United Kingdom, Venezuela, West Germany.

NOTICE to all holders of Carnation Company 4% Convertible Subordinated Debentures Due 1980. Carnation Company has caused its common stock to be split on a two-for-one basis to stockholders of record on June 1, 1977.

OVERSEAS NEWS



The Cinderella status of smaller member nations

BY MARTIN DICKSON

U.K., U.S. recognise Seychelles

VICTORIA, June 13. BRITAIN AND THE U.S. have recognised the new government in the Seychelles...

A HEAD OF Government from a small Commonwealth country sat in his room at the Gleneagles Hotel last week-end...

The remark, combining humility with a sense of isolation, may not be typical but it does point up the Cinderella status of the little countries attending the summit...

Perhaps partly because of their own hesitancy, some of the smaller States can find it difficult to ignore, and to be ignored by, the Press...

What, then, can the small countries contribute to the Commonwealth conference and what benefits will they gain from it?

to put across, since the Gambia was the only Commonwealth country to suffer seriously from the 1973-74 Sahel drought...

The conference provides a valuable opportunity for bilateral discussions with other states, to talk about aid, regional co-operation and general questions.

both heavily overpopulated and seriously eroded. So, while Lesotho vigorously opposes the apartheid system of its neighbour...

Mr. C. D. Molapo, the Foreign Minister, believes that with this background, Lesotho had a very relevant contribution to make to the southern Africa debate.

Further threat to Britons in Uganda

By John Worrall

NAIROBI, June 13. THE BRITISH nationals, about 240 of whom are in Uganda, were today directly threatened by the Vice-President...

Some have already come into Kampala to find out what is happening but, according to Uganda officials, they are under constant surveillance.

The 240 British citizens in Uganda have been ordered not to leave the country, and not to move in parties of more than three.

UPI adds: Uganda announced that nine people caught with stolen government drugs will be shot by firing squad.

Lebanon under pressure as opposing forces close in

BY HANAN HIJAZI IN BEIRUT

CONCERN is growing here over the tense situation in Southern Lebanon. Lebanese leaders have warned that Israel might exploit the situation not only to occupy the border area but also to launch a pre-emptive strike against Syria...

Mr. Kamel Al Assad, the speaker of parliament, told a Press conference last weekend that Palestinian guerrillas must withdraw from the south to enable the stationing of Lebanese forces there.

There have been daily artillery duels in the border region between Palestinian guerrillas and their Lebanese leftist allies.

On June 5, the Israelis moved military reinforcements to the border and have reportedly provided more arms and ammunition to the Lebanese Christian militias in the border villages.

UPI adds: Uganda announced that nine people caught with stolen government drugs will be shot by firing squad.

Salga. Nabatiyah is about 12 miles from the Israeli border. Syria has been trying to stop troops of the Arab Legion from crossing the border...

LIKUD TALKS

By David Lennon

THE DEMOCRATIC Movement for Change meets this evening to decide whether to continue coalition talks with the Likud.

The Likud, which has already assured itself of a coalition with a narrow three-seat majority, would like to broaden its Government by adding the 15-member DMC to the coalition.

Damascus is reported to be thinking in terms of the bigger strategic picture of the confrontation with Israel. Syrian strategists see South Lebanon as the soft belly of the Syrian flank in the Golan Heights.

strengthen this flank. The removal of heavy weapons from the camps and relocating them in Southern Lebanon...

UPI adds from Beirut: Palestinian guerrillas and Syrian Christian right-wing militia exchanged artillery and tank fire from entrenched positions around several South Lebanon villages to-day.

According to preliminary reports, three persons were killed and five others wounded in the exchanges which included the shelling by Israeli tanks of Palestinian villages in the Golan Heights.

International Company News Securities Rand IMF borrowing Farming and Raw Materials NEC Irish cattle move NY zinc market plan

Anglo American Gold Investment Company Limited

Table with columns: Estimated for Half-year ending, Half-year ended, Year ended. Rows: Investment income, Interest earned and other income, Deduct: Administration expenses, Group profit before taxation, Group profit after taxation, Cost of interim dividend, Number of shares in issue, Earnings per share, Dividend per share.

NOTES 1. No taxation has been provided, the company and its subsidiaries having computed tax losses at June 30 1977. 2. It should not be assumed that the results for the first half of the year are necessarily proportionate to the results for the year ending December 31 1977...

INTERIM DIVIDEND Interim dividend No. 59 of 80 cents a share (1978: 90 cents) for the year ending December 31 1977 has been declared payable to shareholders registered in the books of the company at the close of business on June 24 1977...

By order of the Board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Secretaries per B. P. Saunders Divisional Secretary

Poorer countries press for better deal

By Reginald Dale

THE COMMONWEALTH Conference got back into the serious business of world development yesterday afternoon, after the Heads of Government returned to London from their Scottish week-end at Gleneagles.

With only two days left before the end of the week-long talks, the Commonwealth's poorer members were keeping up the pressure for a stronger commitment from their richer partners to reform the world economic system in favour of developing countries.

Yesterday's debate was based on a report by a Commonwealth experts group chaired by Mr. Allister McIntyre, Secretary-General of the Caribbean community, calling for an "unprecedented international effort" for economic development.

Another report before the conference, drawn up by a committee chaired by Mr. L. K. Jha, the Governor of Jammu and Kashmir, points to a number of areas in which the richer countries could help industrialisation in the Third World.

The report calls for much greater efforts by industrialised countries to lower tariffs and non-tariff barriers against developing country exports.

For their part, developing countries should concentrate on industrial sectors that are complementary to those that already exist in the developed countries.

Tunisia trial The trial of 33 sympathisers of former Economy and Planning Minister Ahmed ben Salah opened yesterday in Tunis.

Finance Minister presents grim economic picture for Pakistan

ISLAMABAD, June 13.

MR. ABDUL Hafeez Pirzada, the Finance Minister of Pakistan, outlining a \$3.7bn. budget for the fiscal year ending June 30, 1978, said that the country's current economic picture is "grim", adding that the 1978 fiscal year will be a "hard year".

Pakistan's Gross National Product will grow only 1.2 per cent in the current fiscal year, compared with a target of 8.1 per cent and last year's 4.3 per cent, he estimated.

The growth target for the 1978 fiscal year is 9 per cent, Mr. Pirzada said. But this will be attainable only if the country achieves a 3.5m-bale cotton crop, a continued flow of foreign aid, and an end to political strikes.

The budget calls for expenditures of \$1.7bn. on projects to develop the power, communications, agriculture, water resources and transportation sectors, the Minister said.

UPI adds: Uganda announced that nine people caught with stolen government drugs will be shot by firing squad.

Philippine demo About 1,000 anti-government demonstrators dispersed peacefully in Manila yesterday after being caught by a police cordon.

Rhodesia arrest Rhodesian police have arrested a 38-year-old U.S. missionary doctor and are holding him under Emergency Powers Regulations.

Yen still rising against dollar

TOKYO, June 13.

THE JAPANESE Yen continued to gain strength against the dollar in Tokyo today as it over on the foreign exchange markets hit \$312m, the highest since May 12 when the first major Saudi oilfield speculators to buy up \$50m a single day.

The Saudi scare had pushed an earlier slide which had put the Yen to 270.75 in the middle-April, and prevented dollar falling below 270. Now the same pattern has convinced the threshold will hold. If they are right, the Yen could reach the middle 280s the dollar soon.

On Monday's market, American dollar fell for the second consecutive day of trading, closing at a spot rate of 272.75 Friday's close.

Record oil output in China Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

Two executed in Damascus Two people were hanged yesterday morning in Damascus Central Square, Louis Fares reports.

Record oil output in China Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

Two executed in Damascus Two people were hanged yesterday morning in Damascus Central Square, Louis Fares reports.

Indian growth declines

NEW DELHI, June 13.

THE INDIAN Government has confirmed that the performance of the economy in 1978-79 was "uneven" and that the growth rate was less than 2 per cent compared with 8.8 per cent in the previous year.

The growth target for the 1978 fiscal year is 9 per cent, Mr. Pirzada said. But this will be attainable only if the country achieves a 3.5m-bale cotton crop, a continued flow of foreign aid, and an end to political strikes.

The budget calls for expenditures of \$1.7bn. on projects to develop the power, communications, agriculture, water resources and transportation sectors, the Minister said.

UPI adds: Uganda announced that nine people caught with stolen government drugs will be shot by firing squad.

Record oil output in China Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

Two executed in Damascus Two people were hanged yesterday morning in Damascus Central Square, Louis Fares reports.

Record oil output in China Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

Record oil output in China

NEW DELHI, June 13.

Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

UPI adds: Uganda announced that nine people caught with stolen government drugs will be shot by firing squad.

Record oil output in China Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

Two executed in Damascus Two people were hanged yesterday morning in Damascus Central Square, Louis Fares reports.

Record oil output in China Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

Two executed in Damascus Two people were hanged yesterday morning in Damascus Central Square, Louis Fares reports.

Record oil output in China Crude oil production in China hit a record peak last month, the New China News Agency claimed yesterday.

WORLD TRADE NEWS

U.K. group may bid for Soviet oil project

BY DAVID SATTER

MOSCOW, June 13.

BRITISH engineering company has expressed interest in winning the bidding for the Soviet Samotlor-Fyodorovsk gas lift oil extraction project...

The gas lift equipment will include surface automation equipment for collecting gas and separating it from oil...

IMEG designed the gathering, gas-treating and pipeline project for the first Iranian gas pipeline in the mid-1960s...

The project is to proceed by stages, with gas lift extraction produced as the original internal pressure in various oil wells subsides...

Shipping talks to continue

BY ROY ROGERS, SHIPPING CORRESPONDENT

A HINT of a possible softening of attitudes by the Russians over their controversial merchant shipping fleet expansion programme...

There was scope for agreeing some kind of "mechanism" to defuse relations between shipping conferences and the state-owned Russian shipping lines...

Dubai power contract for Mitsubishi

NICOSIA, June 13.

THE UNITED Arab Emirates has awarded Mitsubishi a \$87.4m. contract to expand the projected power station and desalination plant at Jebel Ali...

The Japanese company will install two steam generator units each with a capacity of 60 megawatts...

MEES also reports that Saudi Arabia's Government-owned oil company Petromin has awarded Brown and Root a contract for design and engineering services...

Venezuela drops plan to build eight-cylinder car engines

BY JOSEPH MANN

CARACAS, June 13.

THE VENEZUELA Government has decided on a major alteration in national motor industry policy...

The announcement, made by Development Minister Luis Alvarez Dominguez, means that the Government and foreign motor manufacturers will have to revise projects...

Andean Pact nations, which include Venezuela, Colombia, Bolivia, Ecuador and Peru, have expressed their determination not to produce larger engines...

Dutch offshore industry review

BY MICHAEL VAN OS

AMSTERDAM, June 13.

A MERGER of the extensive offshore construction activities of Holland's three largest companies in this sector is not feasible...

However, the three companies involved—RSV, IHC and De Groet Zwindrecht—which helped draw up the report, have decided to study co-operation in certain sectors...

The report, which also looked into the offshore prospects, says "unfavourable" until the early 1980s with the current over-capacity at offshore construction...

It would not improve the commercial position of the participants, and neither would the employment position be reinforced...

The report notes high costs and the strong guilder as handicaps, as well as "increasing protectionism" by other North Sea nations...

The position of the yard will be reviewed as part of the large reorganisation programme for the whole Dutch shipbuilding sector...

Bulgaria stepping up imports of Western technology

BY MARGARET HUGHES

PROSPECTS OF stepping up British exports to Bulgaria seem to be improving, judging by a new market report prepared by the London Chamber of Commerce...

Generally low and declining level of Anglo-Bulgarian trade. But there have been one or two notable successes, such as the Cadbury-Schweppes soft drinks co-operation deal...

Steel, as well as the Japanese, are also competing. One of the problems of negotiating contracts, of course, is Bulgaria's increasing insistence on buy-back or compensation deals...

The Chamber found that despite problems over hard currency earnings, Bulgaria is proceeding with its plans to buy a large range of Western technology and several British companies are known to be negotiating major deals with the Bulgarians...

Encouraged by these successes, the Chamber reports that other leading British companies are planning to look at the Bulgarian market. They include GEC, whose chairman, Lord Nelson, is due to visit there next month...

In this context, the Bulgarians are disappointed at the low level of British representation planned at this year's Plovdiv Fair to be held in September...

Israeli co-operation

By L. Daniel

TEL AVIV, June 13. NEGOTIATIONS ARE at an advanced stage for the establishment of a plant in Mexico by Israel Aircraft Industries...

In the first stage the plant, which could be fully operational in a year's time, would engage in the production of spare parts for the Arava...

U.K. mission to Mexico

FINANCIAL TIMES REPORTER

A HIGH-LEVEL offshore industry visit to Mexico has been arranged by the U.K.'s Offshore Centre. The group will spend two days discussing with executives of Petroleos Mexicanos (PEMEX)...

to be anxious to speed up its exploration programme. To provide the necessary finance, directors of PEMEX were recently in London to sign agreements for loans which have been co-ordinated by Rothschilds...

West German dumping

WASHINGTON, June 13.

THE U.S. Treasury has ruled that pressure-sensitive plastic tape imported from West Germany has been sold in the U.S. market at unfairly low prices...

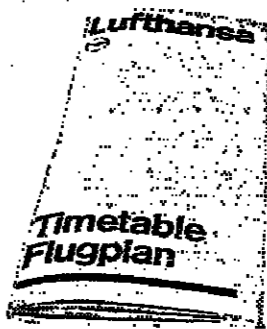
Frankfurt, which would be covered by any penalty duties the Treasury may order later on the plastic tape imports...

Who offers you more comfort between Britain and Germany?



Choose your Airbus connection in our Yellow Book.

Relax in the wide-bodied comfort of Lufthansa's European-made Airbus which operates from Heathrow to Frankfurt. Daily flight LH037 from Heathrow 19-00, arriving Frankfurt 20-25, returning next day LH034 16-35 and arriving Heathrow at 18-10.



Lufthansa German Airlines

CONTRACTS AND TENDERS

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE INVITATION TO TENDER FOOD AID. Tenders are invited for the supply and delivery from any EEC port or ports of 20,000 metric tonnes soft wheat...

Now your international customers can dial you toll-free from Zurich, Geneva, Amsterdam, Frankfurt, Madrid and Barcelona.



London 020 755 2200, 755 2201, 755 2202, 755 2203, 755 2204, 755 2205, 755 2206, 755 2207, 755 2208, 755 2209, 755 2210.

HOME NEWS

Cost of Severn Estuary barrage could top £3bn.

BY RAY DAFTER, ENERGY CORRESPONDENT

BUILDING a barrage across the Severn Estuary to generate electricity from tidal power could cost £3bn, to £4bn, according to new studies commissioned by the Department of Energy.

Common select committee on science and technology, which is reviewing possible energy resources, is likely to press for a full-scale feasibility study when it reports this autumn on the potential of harnessing tidal power into hydro-electricity.

He felt it was prudent of the Government to proceed with its evaluation at a sensible speed. Next week, the Department will publish a paper on wind energy.

The three reports presented yesterday were prepared by the Hydraulics Research Station, the Netherlands Engineering Consultants Foundation (NEDECO) and the Institute of Geological Sciences.

decrease in the tidal range; a result which would help the barrage construction, but reduce the amount of potential electricity generated.

Plan to control use of toxic chemicals

BY KEVIN DONE, CHEMICALS CORRESPONDENT

Leyland division's profits 57% up

By Kenneth Gooding, Industrial Correspondent

BRITISH LEYLAND'S special products group pushed up profits by 57 per cent to £2.2m before tax and interest in the first three months of 1977.

CHEMICAL COMPANIES will have to give official notification of the toxic properties of all new substances to be used in major proposals yesterday under proposals from the Health and Safety Commission.

Wimpey chairman explains tax plan

BY MICHAEL LAFFERTY, CITY STAFF

GEORGE WIMPEY, the international contracting group, adopted a controversial tax scheme intended to save several million pounds because of exceptional tax liabilities.

The accounting change which led to the company setting up the tax scheme resulted from the coming into force of new accounting standard No. 9, which relates to the valuation of stocks and work in progress.

It requires companies to take into account profits on long-term contracts when they can be prudently foreseen. It also stipulates the basis on which costs used in valuations should be arrived at.

No walkabouts for Queen in Ulster

BY OUR BELFAST CORRESPONDENT

PUBLIC WALKABOUTS by the Queen during her Jubilee visit to Ulster in August have been ruled out for security reasons.

The Government said yesterday that it had advised Her Majesty to "limit the form and scope" of the two-day tour because of the situation in the province.

This was comfortably ahead of the target of £4.4m, and Mr. David Abel, Special Products managing director, has told employees: "It is confidently expected that the full-year sales and profit plans of £203.4m and £16.2m, respectively will be exceeded."

A feature of the quarter's performance, according to a confidential document circulating within Special Products, was the major improvement at Prestcold and Alvis.

Worldwide legislation was creaking the available resources for testing of all types of products and there was no possibility of speedily training the skilled personnel to interpret these tests.

Under the scheme the executive must be given at least 30 days to scrutinise a notification before a substance can be introduced at work.

Construction output falls 8%

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE CONSTRUCTION industry's workload continues to fall, according to the latest figures. Confirmation of the continuing recession comes two days before leaders from all parts of the industry see the Prime Minister.

down on the previous three months and 23 per cent lower than 12 months before.

New private housing output was 19 per cent lower than in the last quarter of 1976 and 23 per cent down on the first three months of last year.

Transport Training Board 'should cover all workers'

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

A CALL FOR inclusion of all transport and distribution workers in the scope of the Road Transport Industry Training Board was made yesterday.

under the umbrella of training boards not specifically interested in transport matters.

Builders' merchants seek action

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

GOVERNMENT action to stimulate house building was called yesterday by the National Federation of Builders' and Plumbers' Merchants.

Mr. Cyril Brown, the federation's president, told its annual conference in Spain that, while the industry accepted that Government funds were tight,

said, and a five-year moratorium on the re-rating of improved properties would provide real encouragement for the improvement programme.

FT development plan

MR. ALAN HARE, Chief Executive of the FT, told a meeting of management union representatives last night:

The main reason for this conclusion is the problem of jurisdiction. The Financial Times newspaper unlike other national newspaper companies cannot justify investment in the new technology without an agreement from the outset to the principle of directing inputs into the system from all sources of news and advertising, and until this is agreed by all Unions we should be wasting money and distorting the wage structure in attempting to reach agreements piecemeal.

Accountants warn on Bullock

BY MICHAEL LAFFERTY, CITY STAFF

LEGALLY ENFORCED worker participation on company Boards could reduce foreign investment, the accountancy bodies warn in a memorandum to the Department of Trade.

the Bullock report on industrial democracy proposals would not be an effective way forward.

Other forms of employee participation, such as two-tier Boards, should be given serious consideration, and full public debate allowed before any legislation is brought forward.

Teachers stop supervising

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

LUNCHES and other mid-day activities were affected in about 100 Oxfordshire schools yesterday by the withdrawal of supervision by members of the National Union of Teachers.

spending on education, which it claims are equivalent to the loss of 344 teaching posts.

FT architecture award finalists

BY H. A. N. BROCKMAN, ARCHITECTURE CORRESPONDENT

THERE WERE 63 entries this year for the Financial Times Industrial Architecture Award. As usual the standard was very high. Six schemes, listed here, have been chosen as finalists.

North Western Regional Health Authority. Designers: Taylor Young and Partners in association with the regional architect Norman Conran.

Corporation, with J. D. and D. M. Watson. Consultants engineers: J. D. and D. M. Watson. Builders: Bovis Civil Engineering.

Wilson committee considers early report on financing

BY MARGARET REID

SIR HAROLD WILSON'S committee on the financial institutions is expected to consider at its meeting today whether it should rush out an interim report by the end of this year on which it is giving top priority.

The Wilson committee is expected to discuss a paper from the TUC and other bodies including the National Institute for Economic and Social Research, the Local Enterprise Board and Welsh Development Agency and Greenwell, the sit brokers.

First steps on school closures

THE FIRST steps towards closing schools because of the falling child population were taken by the Government yesterday.

more than the equivalent specification 2-litre Audi 100.

Urban aid

And 100 SE

The Government has allocated £5m in grant aid for projects to help the poor in urban areas of special need.

Sunshine phones

The Post Office is considering using solar energy to power telephones in remote areas. So panels would recharge battery for a radio link from the phone to the exchange.

Trawler protest

Trawlers from all round the coast will sail up and down Thames to underline the determination of fishermen to secure 50-mile exclusive fishing off around Britain's shores.

ART GALLERIES

SCULPTURES by Sheikh of Cape Verde. Exhibition: Museum of Modern Art, 25, Abchurch Lane, London, W.1.

EXHIBITIONS

GREENWICH HOUSE. Exhibition: Greenwich House, 10, Greenwich, London, S.E.18. July 20.

'Love on dole' prospect criticised

IN THE NEXT decade 'love on the dole' is no longer going to be a joke, Sir George Sharp, convener of the Region and chairman of the Scottish Council of Local Authorities, said yesterday.

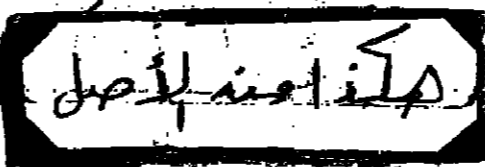
"They are going to start bringing up families in a situation that we would not commend to anyone."

CLUBS

NEW STRIPPER'S BLOCK. Club: New Stripper's Block, 11, Abchurch Lane, London, W.1.

Handwritten text in a box: 1588 1588 1588





# Our world bankers work around the world, around the clock.



**Tokyo. 6:07 p.m.**

K. Furuhashi, Fujitsu (left); and H. Tsurumaki, Bank of America, engage in a thorough review of Fujitsu's expanding program of electronic exports and discuss the necessary documentation.

**Rio. 3:19 p.m.**

(L to R) J. A. Mano Silva, Bank of America; Frederico Bernardo Muller, Refinaria Duque de Caxias; and Orlando Galvão Filho, Petroleo Brasileiro S.A., meet to analyze the Petrobras expansion program for the exploration and refining of petroleum.

**London. 9:12 a.m.**

Claire Taplett and James L. Rawlings of Bank of America discuss the role of Bank of America International Limited, the Bank's wholly-owned merchant banking arm, which specializes in investment management, syndications and underwriting.

**Chicago. 10:27 a.m.**

(L to R) Ken Green, Bank of America; Clayton Banzhaf, Sears, Roebuck and Co.; and Bob Gordon, Bank of America, structure a short-term line of credit to meet the requirements of Sears' Latin American operations.



Wherever—and whenever—businessmen need help, they get it fast from Bank of America's World Banking Division. Because we've placed top-level management teams in Divisional Headquarters offices in four key locations around the world. So we're close to the marketplace, close to the action. Wherever it is.

If your business needs loan syndications, project financing or Global Treasury Management services, look to our world bankers. We offer on-the-spot service—in all four corners of the world.



**BANK OF AMERICA**   
Around the world, around the clock.

SAFETY

Tapping the power from live cables

WIDE PATENT cover has been applied for on a method of making live service connections to electrical power supplies which...

COMMUNICATIONS

Big Dutch network

ONE OF the most important assignments awarded to an independent systems company in the Netherlands has been won in competitive tender by Logica Benelux BV...

INSTRUMENTS POLLUTION

Testing with Conforms with the Alkali Act a laser

A VARIETY of non-destructive tests, as well as vibration and strain analysis functions, can be carried out with a new instrument, called a speckle pattern interferometer...

Making fuel from waste

NRDC is granting to Foster Wheeler Power Products Limited, an exclusive licence for the building and selling of pyrolysis plants using the "cross-flow" process...

PROCESSING

Adds strength to plastics components

VACUUM-BAG moulding, a technique used for forming plastics components in the aerospace industry, is the basis of the Ecoplex process for rigidising plastic sheet...

METALWORKING

Faster core production

CYCLE TIME of 40 seconds is possible with a coremaking development introduced by Baker Perkins' foundry machinery division...

COMPUTING

Terminals take bets

MICRO controllers have found their way into Tote ticket terminals for use with fully computerised betting systems...



Two primary mixers separately in the resin and dispersant are discharged into a batch mixer. This secondary unit blends the catalyst resin sands, and dispersant mix to the coreholder...

SUPER-TANKER SINKS IN MIDDLESEX

It's a fairly common occurrence in our part of Middlesex.

As the home of the National Maritime Institute, Feltham in Middlesex has been the scene of quite a few disasters, but the objective is always successful design.

Naval Architects and designers can bring their plans along to us, and we'll test them to the limits. We can monitor the aerodynamic and hydrodynamic performances with some of the most advanced equipment in the world...



We can do the same for bridges, shopping precincts, oil drilling platforms. Almost anything an architect or engineer designs, we can test. You'll appreciate that with 3 towing tanks, 2 wafer channels, 8 wind tunnels, and other massive facilities we can test a design to breaking point if you need it.

Find out more. The NMI gives you, the designer, the opportunity to see your ideas in action, long before the project is committed. Every true professional will appreciate the kind of service we're offering here.

BANCA TOSCANA Joint Stock Company. Balance Sheet as at December 31, 1976. Assets: Cash 40,337,787.546; Funds at the Central Bank 335,628,847.968; Securities owned (government and government guaranteed bonds) 687,572,768.023...

Handwritten text: 05201201

*Handwritten signature*

# FINANCIAL TIMES REPORT

Tuesday, June 14, 1977

# Lead and Zinc

Prospects for lead and zinc will be reviewed at an international conference starting in London to-day. Present trends suggest that radical changes may lie ahead for these two old and important metals.

**New patterns for old metals**

By John Edwards  
Commodities Editor

LEAD AND zinc are two of the oldest and most important base metals. They are used extensively throughout industry in a wide range of products many of which are part of our daily life. Zinc is the third biggest non-ferrous metal in volume terms,

after aluminium and copper, with an annual world production of over 5.5m. tonnes that used primarily to protect steel against corrosion by galvanising but also has equally widespread use in the form of diecastings for industrial and consumer products. Lead has a smaller annual primary mine production tonnage of around 3.5m. tonnes. But it is equally important as a major ingredient of batteries, as a petrol additive and in cables, construction, printing type, and chemical compounds and pigments.

They have been mined by man for so long, often as a by-product to copper and silver, that they are almost taken for granted. But, as with so many other things these days, there have been some important changes in recent years that may radically alter future trends. In the past, for example, lead and zinc have always been looked upon as "sister" metals with a close price correlation stretching back over the year, basically because they are often

mined from the same ore concentrates.

But in recent years developments in the two metals have tended to diverge. Many mine deposits have been exploited for one of the metals, with the other either not present or very much a junior partner. This is very much the case with the big Missouri lead belt mines that provide the bulk of the U.S. requirements. Elsewhere in the world there are an increasing number of deposits being mined for zinc primarily; the Tara deposit in Ireland, for example, that has just come on stream will be producing primarily zinc with lead as a relatively minor by-product.

In the smelting and refining process there has been an even greater divergence. For economic and environmental reasons, electrolytic zinc smelting plants have replaced the old dual lead-zinc smelters, so although many mining companies still produce both metals they are available from different sources in refined metal form.

The pricing structure has also become very different for the two metals, although it might move closer again in the future. Theoretically zinc should be more expensive than lead since its smelting process requires more capital investment and costs more. In addition large supplies of lead for secondary use are recovered as scrap.

## Relative

But as any metal market trader will confirm, the price of a metal does not depend solely on its fundamental cost of production. Equally important is the price that buyers are prepared to pay for it—in other words how much it is in demand relative to supplies available.

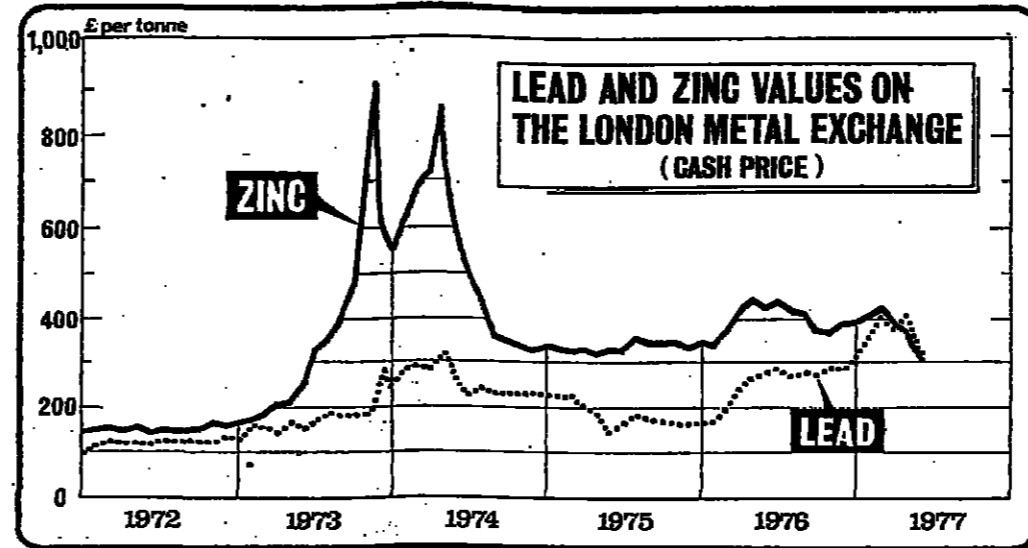
As a result, over the years the lead and zinc prices have criss-crossed each other with zinc being more expensive at one stage and lead at another. A recent example is the price behaviour since 1974 when an acute shortage of zinc forced its price up to over \$950 a tonne at one stage on the London Metal Exchange residual market, making it hundreds of pounds more expensive than lead. But this year lead prices have bounded up to establish a substantial premium over zinc, at one stage of nearly \$100, although the price of both metals has fallen sharply in recent weeks. The simple explanation is that demand for lead has been strong enough to take up available supplies, while consumption of zinc has been weak and large surplus stocks have built up.

But this very comparison of prices on the London Metal Exchange illustrates another difference between the two metals which has developed since 1963 when the zinc producers decided to stop basing their prices on the daily fluctuations of the London Metal Exchange and to introduce their own "stable" European producer price on which to base their direct supply contracts with consumers. This followed the pattern of the U.S. where the bulk of all non-ferrous metals, including lead and zinc, are sold at prices fixed by the producers, who in turn have to take account of market developments.

In Europe it was considered impossible to introduce a producer price for lead, in view of the large proportion of supplies coming from secondary refiners whose ownership and interests are often very different from primary producers. A producer price for lead in the U.S. is only possible because of the vertical integration there whereby many producers, as owners of fabricating plant, are also major consumers, which is not the case in Europe.

However, the European zinc producer price system worked well for many years reducing the whole of the London Metal Exchange to that of a minor residual market dependent mainly on Communist bloc countries for supplies normally available at a discount compared with the bulk of zinc sold at the producer price, except during the various periods of scarcity when buyers were forced to come to the LME for extra supplies.

One inherent weakness of the system was that the price was the result of unofficial consultations between both primary mine producers and independent smelters, who sometimes had somewhat different ideas about market developments. An independent smelter, using bought secondary or scrap lead in ore concentrates, is mainly



concerned with maintaining his profit margin on the smelting operation, in the same way as a secondary lead refiner, rather than concerning himself with the total return that is of most importance to the primary mining producer.

The result was that there was periodic price discounting during times of surplus supplies, and pressure on the cost of ore concentrates. But on the whole the producer price system was maintained fairly satisfactorily, and generally accepted by consumers. A fatal flaw appeared, however, with the fall in the value of sterling, and the constant changes in the long value of currencies generally, run this will be a diminishing outlet for lead. Past experience, however, has shown that as one outlet declines—as was the case with cables, for example—so it is replaced by a new outlet. This is happening at the moment in batteries, whose growth rate has been stimu-

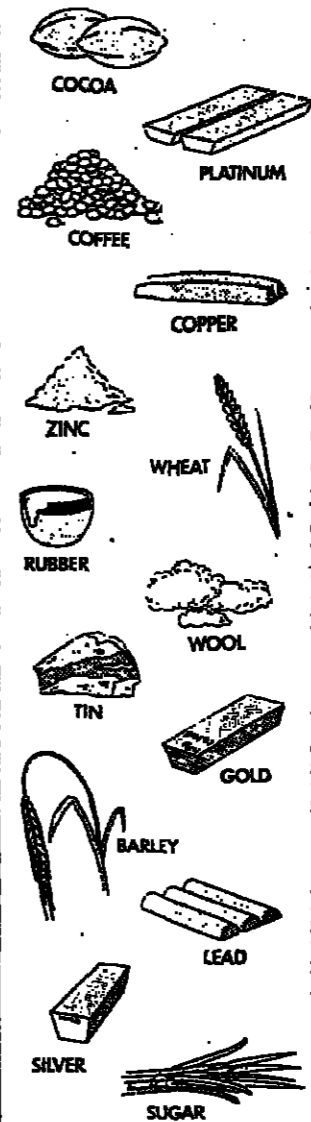
lated by the search for alternative energy sources to oil. Although much research has been done into formulating new types of batteries, particularly for electric vehicles, so far the need for lead has not been diminished. The new so-called "maintenance free" batteries that are capturing a significant share of the U.S. car market, for example, may well bring an increased demand for primary lead.

They use lead and calcium instead of lead and antimony, which means that the big pool of antimonial lead recovered from scrap sources cannot be used without greater refining. So the amount of scrap supply available for lead-calcium batteries will be restricted for a period until a new "pool" is built up over a period of years. In the longer term, however, the loss of the petrol additive market, which is a major user of non-reclaimable primary lead,

being turned off and on far more easily than cutbacks in a mine production planned many years ahead. At the same time, demand for lead tends to be much more stable, mainly because of the steady expansion in the battery industry which continues, for example, even if new car production falls. The oil crisis, and the need to conserve petrol supplies, has obviously played a part in discouraging too hasty moves against the valuable role played by lead in raising octane ratings. Nevertheless there is little doubt that in the long run this will be a diminishing outlet for lead. Past experience, however, has shown that as one outlet declines—as was the case with cables, for example—so it is replaced by a new outlet. This is happening at the moment in batteries, whose growth rate has been stimu-

CONTINUED ON NEXT PAGE

## DOES YOUR PORTFOLIO CONTAIN THESE BASIC ESSENTIALS?



Price movements in the world's commodity markets offer investors continuing opportunities for capital growth.

The best way to take advantage of these opportunities is to draw on the skills and resources of an expert commodity broker. M. L. Doxford & Company has both the skills and the resources for the job.

So, if you believe that a proportion of your capital should now be invested in commodities, send us the coupon below.

Then we'll tell you more about the market and all about M. L. Doxford & Company Limited.

To M. L. Doxford & Co. 10 St James's Street, London, S.W.1. Tel. 01-930 5301. Please send me your introduction to the commodity market.

Name \_\_\_\_\_  
Address \_\_\_\_\_

**M. L. Doxford & Co. Ltd.**  
Commodity Brokers

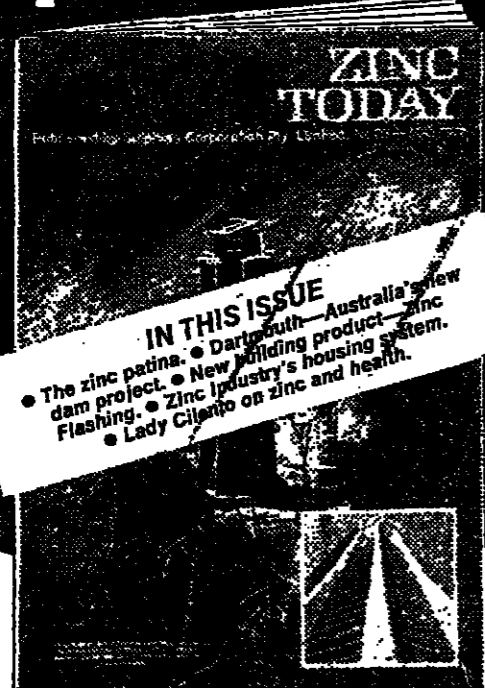
**Sensational—22 more pages**

Our expanded commodity service has all the necessary charts and indicators to provide you with the answers.

Send for a single issue, £5; eight week trial, £20; one year subscription, £110 (to Europe, £135; U.S.A., \$300) inc. CHART ANALYSIS LIMITED

194-200 Bishopsgate, London EC2M 4PE

## Learn the simple facts about rust prevention



**IN THIS ISSUE**

- The zinc padina: • Duralumin—Australia's new dam project. • New building product—zinc flashing. • Zinc industry's housing scheme. • Lady Cilento on zinc and health.

"Zinc Today" is a quarterly journal packed with interesting stories about the unique metal zinc and its widespread applications—how it works to protect steel from rust and corrosion.

Zinc coatings, unlike conventional paints, give steel dual protection. Firstly, zinc coats steel with a tough corrosion-resistant barrier. Secondly, if the coating is accidentally damaged the zinc acts as an anode, following a natural law, and protects the steel from rusting by electrochemical action. No ordinary paint coating can provide this dual corrosion protection. Learn more about zinc. Send for your free copy of "Zinc Today".

**SULPHIDE CORPORATION**  
A subsidiary of Australian Mining & Smelting Limited. AM/S

To Sulphide Corporation Pty Limited  
P.O. Box 42, Boroondra, NSW 2284 Australia  
Please send me the current issue of "Zinc Today"

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Occupation \_\_\_\_\_ L83 9094

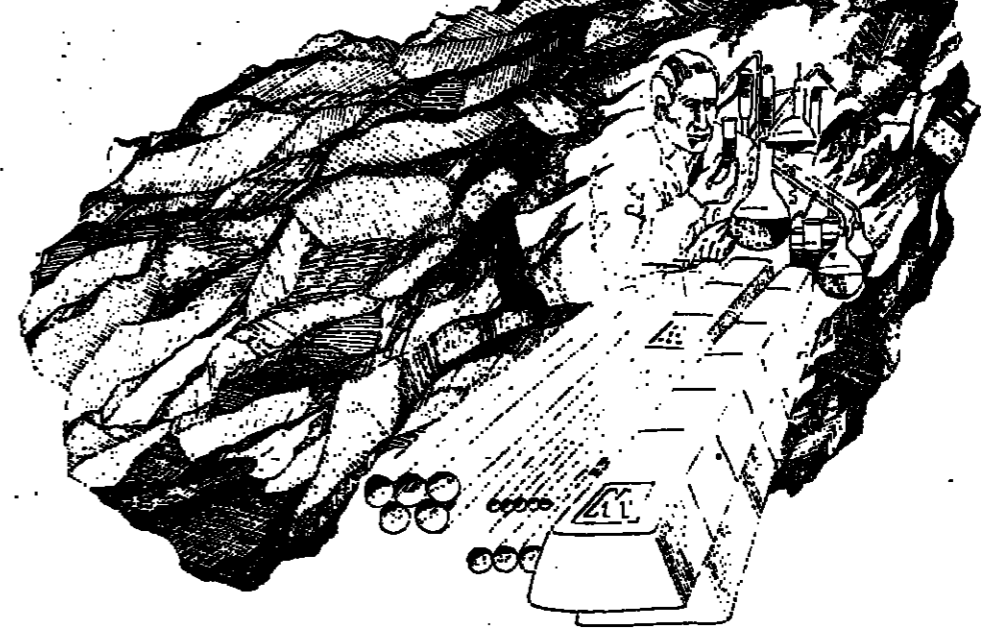
**BILLITON-ENTHOVEN METALS**

**LEAD · ZINC · SILVER**

Ring-Dealing Member of the London Metal Exchange

Members of the Billiton Group  
Billiton-Enthoven Metals Limited, Clarendon House, Abchurch Lane, London EC4N 3UR. Tel: 041 5366. Telex: 857492

## We can't create Raw Materials -



## but we do know how to find, refine, process and trade them.

We know because we at Metallgesellschaft have already spent the better part of 100 years in metals - prospecting, planning, financing, mining, transporting, refining and marketing. Some 28,000 employees worldwide have built a formidable reserve of experience and capability, helping to minimise the risks, and maximise the opportunities inherent in the great and continuing adventure in metals.

With group turnover exceeding \$ 2.4 billion in 1976, Metallgesellschaft is among the world's leading producers and sellers of non-ferrous metals and one of the most active ring dealing members on the London Metal Exchange.

Metallgesellschaft supplies soft lead, high-grade lead and antimonial lead, as well as cable alloys from the two plants of the "Berzelius" Metallhütten Gesellschaft under the brands "BSB" and "STOLBERG". Metallgesellschaft produces virgin zinc 98.5%, high grade zinc 99.95% and special high grade zinc 99.995% under the "MHD" brand from the Duisburg smelter of "Berzelius"

Metallhütten Gesellschaft and "RMZ" brand 99.995% electrolytic zinc and "ZAMAK" zinc die casting alloys at the electrolysis of Ruhr-Zink GmbH at Datteln. Metallgesellschaft operates a zinc and lead mine in Germany and imports zinc and lead concentrates from all over the world. We at Metallgesellschaft are continually strengthening our international trading and cooperative links, so to find out how Metallgesellschaft can cooperate in these fields with you, just write or call

**METALLGESELLSCHAFT AG**  
Reuterweg 14  
D-6000 Frankfurt am Main 1  
Telephone (0611) 159-1

**METALLGESELLSCHAFT LTD.**  
19-21 Great Tower Street  
London EC3R 5AQ









For Share Index and Business News Summary Ring: 01-244 8022

TUESDAY, JUNE 14, 1977

The Windscale inquiry

By IAN BREACH

BRITISH ENERGY specialists, environmentalists, representatives of the nuclear power industry, and half a dozen government agencies will for the next four months at least focus their attention on what is being said in the small town of Whitehaven on the west Cumberland coast. Not a few Foreign eyes will be turned in the same direction, for it is here, in one of the most complex planning inquiries to be held in the country, that British Nuclear Fuels will prosecute its case for a substantial expansion of the company's facilities for reprocessing irradiated oxide fuel from power stations in Britain and abroad.

Less than six months ago, the issue was a comparatively straightforward one and—at the local level—involved planning applications that were considered to be little more than formalities. At that time, Cumbria County Council's planning committee felt competent to grant permission to BNFL to go ahead with its plans; the matter was all but concluded when, over a period of a few days, the situation changed dramatically, and the council itself began to cast doubts on its ability to make a proper decision.

One reason for this reversal was undoubtedly the publication of the report on nuclear energy from the Royal Commission on Environmental Pollution, with its deliberations on the consequences of developing a nuclear electric energy economy. There was also a steady barrage of written and verbal warnings to the Council—mainly from other parts of the country—that it was proceeding unwisely. Acting under these and other pressures, the Council indicated to Whitehall that it could not accept responsibility for judging the planning applications: just before Christmas, Mr. Peter Shore, Secretary of State for the Environment, announced that he was calling-in the applications.

Two of the three—concerned with rebuilding and improving the existing Windscale plant for the reprocessing of Magnox fuels, and the development of a vitrification technique for the storage of nuclear wastes—were to be resubmitted and would be approved: as indeed they have been. The third, which "raised issues of major importance," concerned the construction of a new Thermal Oxide Reprocessing Plant (THORP), the size of which assumed a considerable expansion of Britain's nuclear power programme and a large increase in the shipment from overseas of irradiated materials in the form of spent reactor fuel. It is this application that has gone to a full public inquiry under Section 282 of the Town and Country Planning Act.

A great deal hangs on its outcome, both physically and politically. In its Statement of

Natural Resources Defense Council

The Government of the Isle of Man

The Windscale Appeal—a coalition of many bodies, including the Conservation Society, Concern Against Nuclear Technology Organizations (CANTO), and the Ecology Party

Other groups who will be objecting include the National Council for Civil Liberties, the British Council of Churches, Durham County Council, the Network for Nuclear Concern, and the Socialist Environment Research Association.

The inquiry will be unusual in a number of ways. One is cost: when all the fees and expenses have been added up, there is likely to be little change out of £250,000.

The inquiry procedure will also set a precedent. Its chairman, the Hon. Mr. Justice Parker, has announced several departures from normal practice. Although it is officially a local planning inquiry, he and his assessors (Sir Edward Fochin, a member of the National



Friends of the Earth rally at Windscale last April.

Resources Defense Council, brought to Whitehaven at the Court's expense if he so directs—a point of considerable importance to those who have complained that objectors have the financial odds stacked against them.

In fact, the raising of funds by and for objectors has proceeded at a pace that has surprised even their most optimistic supporters. The Manx Government has made £30,000 available, with provision for a supplementary figure if necessary. FoE has raised approximately £10,000. An advertisement printed by the Guardian and faked in the form of an open letter signed by 2,000 people, is believed to have brought in donations amounting to £10,000 for the group calling itself People's Campaign.

Justice Parker has also ruled that submissions may be made by all parties at both the opening and the closing of the inquiry—this to ensure that there is equal access for all concerned to Press and broadcasting coverage. Justice Parker has said that he will not hear evidence that raises matters of national security or of long-term Government policy, though points of definition may well be raised in both these areas. But he has accepted that there may be some overlap of evidence in such a large inquiry. And he has indicated that witnesses may be

Radiological Protection Board, and Sir Frederick Edward Warner FRSc, a chemical engineer and member of the Royal Commission) will admit evidence and submissions based on the national and international implications of the case. For the first time in such an inquiry, the arguments put forward by plaintiffs and appellants will be tested by cross-examination.

The inquiry will be unusual in a number of ways. One is cost: when all the fees and expenses have been added up, there is likely to be little change out of £250,000.

The inquiry procedure will also set a precedent. Its chairman, the Hon. Mr. Justice Parker, has announced several departures from normal practice. Although it is officially a local planning inquiry, he and his assessors (Sir Edward Fochin, a member of the National

brought to Whitehaven at the Court's expense if he so directs—a point of considerable importance to those who have complained that objectors have the financial odds stacked against them.

In fact, the raising of funds by and for objectors has proceeded at a pace that has surprised even their most optimistic supporters. The Manx Government has made £30,000 available, with provision for a supplementary figure if necessary. FoE has raised approximately £10,000. An advertisement printed by the Guardian and faked in the form of an open letter signed by 2,000 people, is believed to have brought in donations amounting to £10,000 for the group calling itself People's Campaign.

be divided between FoE, CANTO/ConSoc, and other objectors. Thus, what began as a planning application that was almost passed as a matter of course by a rural local authority has become a major test involving momentous issues of energy policy, civil rights, and environmental politics. Together with the proposed inquiry into the CFBR programme, it will also be something of a hinge that joins the door of public participation to the frame of resource management. Its length and complexity are daunting in prospect, and few would ever expect Justice Parker's responsibilities—he conceded when he said, at a preliminary meeting, that the issues to be investigated "may affect not only those alive and residing in the immediate neighbourhood but also those who live far away and who will not be born for many years underwrite a sum of £25,000 to ahead."

A sobering warning

THE BANK for International Settlements tends broadly to express the views of working central bankers. Its annual report therefore reflects an understandably wary view of the problems now facing all the industrialised countries in seeking to restore a regime of growth and price stability. It is certainly less optimistic, and readier to call a dilemma, than the report of a group of professional economists published by the OECD last week, and it provides a useful corrective to that report. It is better to tackle our problems with sober appreciation of the difficulties than in the vague hope that there is a middle way, as a preacher once put it, between good and evil.

More sceptical

The BIS is more sceptical than the OECD's Wise Men on two crucial matters. First, it is not clear that there is any growth path achievable at the moment which will reduce unemployment without adding to inflation—except, perhaps, in one or two countries in which inflation has already been brought to very low figures.

Secondly, the present regime of floating exchange rates may very well make the problem even more intractable than it would otherwise be. Floating rates, as the BIS puts it, compel countries to swallow their own inflation; but because changes in exchange rates now work through so quickly to prices, and probably to incomes, it is difficult to secure anything more than a temporary change in real exchange rates—that is, in competitiveness.

The feedback from exchange rates lists domestic inflation means, according to the BIS, that countries like Britain and Italy, which found themselves on the wrong side of the saw in the crisis of 1973-74, are now trying to stop a vicious circle of events, which must be arrested before any real recovery can be attained. Depreciation has not protected domestic employment, as was intended, both because its benefits were transitory in terms of export margins, and because of the damage done to confidence in general. The report strongly suggests that exchange rate

management—which it favours—should now pay more attention to checking inflation and less to the fugitive winnings from beggar-my-neighbour. The strong interventionist both ways to stabilise the sterling-dollar rate in recent months suggests that this view is shared in Whitehall, though preserving competitiveness remains the publicly declared objective.

The BIS is clear that inflation at the rates still being experienced in Britain is a threat not only to growth and indeed social cohesion at home, but to the system of international economic relations which has so far stood up surprisingly well under strain. Large differences in inflation rates, which are more likely under a floating regime, tend to provoke speculation, which could re-ignite inflation even in those countries where it has been checked; and it could also drive weaker governments towards protectionism.

No easy answers

On the domestic side the BIS sees no easy answers. The aim is to rebuild business confidence, but this will not be easy. The great improvement which has already been achieved in corporate balance sheets removes one bar to recovery, and the improvement in profits may remove another—though while it goes on, it adds to inflationary pressures. Governments are strongly recommended to give priority to investment, which could include some public sector investment—a virtue which our own Government professes, but finds it next to impossible to practice. Incomes policies and credible targets for the reduction of inflation are also seen as valuable aids—and our own experience again illustrates the difficulties of following this sage advice. In general it must be recorded that while the BIS report is long on realism, it is somewhat short on new ideas. Governments which take to heart the BIS may still want to try some of the experiments suggested by the OECD and others, but the central BIS truth stands: it's dogged as does

Anglo-French links in the air

THE WORLD'S aerospace industries appear to be at a turning point. After the recession of the past few years, there are signs that demand is again turning up. According to industry estimates, for example, between 3,000 and 4,000 civil aeroplanes could well be sold between now and 1985. That would mean a total market of up to £30bn, a sizeable sum by any standards.

Opportunity

It is against that background that in the past week or two both Britain and France have announced plans for new airliners to go into service in the 1980s. In theory, the two countries are still open to the idea of working together on a joint project, and, even in practice, discussions on such cooperation are continuing. It is less than clear, however, that both sides are determined to reach agreement.

The significance of this goes well beyond aerospace. Aerospace itself is a highly political industry both at the national and—sometimes even more so—at the international level. It involves jobs, it involves large sums of public money, and it involves prestige. Some of the most bitter arguments in European politics over the past two decades have been about particular aerospace projects: at the national level, over which projects should be abandoned and which continued, and, at the international level, over the extent and form of collaboration.

The beginning of a new demand cycle provides the opportunity of avoiding some of the mistakes of the past even though these mistakes are not always easy to identify. It cannot be said, for example, that all collaborative projects have been a success, and all national projects a failure. There are few

MEN AND MATTERS

French aerospace

French aerospace

As the British and French aerospace industries gird themselves for what looks like a tough fight to acquire support and European partners for their conflicting versions of a new medium haul passenger airliner the French government has just picked the man to head the growing state-owned section of the industry.

Irish opinion

Irish opinion

Opinion polls, it is well known, can be misleading, and in Ireland, where they have come into their own for the first time during the three-week run-up to Thursday's general election, they can be downright confusing. The latest poll shows that 83 per cent of the Irish electorate are "certain" to vote. But that was only table two of the survey. By the time the tabulators got down to table seven it emerged that 92 per cent had "definitely" decided to vote.

Man slips on banana skin

Man slips on banana skin

"Truth," says the high level Italian communist apparatus at the key point in Francesco Rosi's latest film *Illustrious Corpses* "is not always revolutionary." Quite so, but what about humour? Mr. Rosi's own view is that humour is not only a welcome sign of intelligence but also serves in debate, pomposity and cant. As can and pomposity appear to be the inevitable fellow travellers of totalitarian regimes humour is demystifying and revolutionary. End of sermon.

Observer

SHARE REGISTRATION Look what doing it yourself is doing to your profits.



Mounting overheads like these can hardly be justified for an internal service which only becomes really active once or twice a year.

Using NatWest Registrars, on the other hand, most certainly can.

For example, one phone call and one payment takes care of each distribution (we take care of the printing of warrants, packing and posting, and all the follow-up procedures).

When your Share Register is on computer with us, and being updated daily, you have rapid access to all sorts of vital statistics.

Most important of all, for a modest charge per holding you could be saving your company—and shareholders—a great deal of money.

You can start now by asking us to send you a brochure giving full details.

Telephone the Manager on 0272-297444.

**NatWest Registrars Department**

National Westminster Bank Ltd. Registrars Department, National Westminster Court, 37 Broad Street, Bristol BS89 7N1.





BRITISH ENGINEERING II

Higher profits from a lower share

THE MECHANICAL and electrical engineering industries produced a trade surplus of nearly £2.5bn. last year, compared with £1bn. for the chemical industry and about £800m. for road motor vehicles. At the same time the U.K.'s share of world exports of engineering products has tended to decline. The challenge facing the industry is how to increase the trade surplus still further and how to arrest the decline in market share.

exporters, perhaps selling 25-30 per cent of their production overseas, make a leap forward into the 50-60 per cent range. The leap is not impossible, but it will require both a different attitude to export business and a more determined attack on the high-volume markets of Europe, the U.S. and Japan. Indications are that the greater profitability of export business in recent years, as a result of the depreciation of sterling, has produced a change of attitude in many companies. Obviously it is questionable whether this will last in a situation when sterling is tending to harden and U.K. inflation rates are still higher than in other industrial countries. But the experience of the past few years, when the profitability of overseas sales and growth of domestic sales, has given exporting an importance in the eyes of top management which it did not have before. This change could be a lasting one.

Image

The attack on the advanced industrial markets is more difficult. The image of the German engineering companies, in particular, is so formidable that some British companies shrink from face-to-face competition with them in their own home market—an attitude which evidently does not operate in the reverse direction, to judge by the U.K.'s large trade deficit in manufactured goods with the U.S. and Continental Europe. Yet this overall deficit should not be allowed to obscure the fact that in some parts of engineering the U.K. is a match for its Continental competitors. One may bemoan the fact that the Germans ship machine tools to the U.K. worth four times as much as they import from us. But the German position in the world machine tool industry is exceptionally strong and should not be taken as indicative of their superiority in en-

gineering as a whole. In other sectors, such as mechanical handling equipment, the U.K.'s trade position with the rest of the EEC is much healthier. This reflects not just the quality of the product, but the boldness with which some of the companies concerned have set about the task of marketing on the Continent. This has often involved the setting up of wholly owned sales subsidiaries in the main countries, giving the U.K. supplier a more direct involvement in the marketing of his products. Because of the need for a visible presence in the market, it may be necessary to acquire or build manufacturing facilities; CompAir, the compressor manufacturer, has followed this route successfully, while in diesel engines GEC has used the acquisition of existing companies as a means of strengthening its export drive in both the U.S. and Continental Europe. In other cases there have been moves to negotiate alliances with continental companies. One recent example is the deal between Hymac (subsidiary of Powell Duffryn) and Demag in the field of hydraulic excavators. Hymac will concentrate on the smaller machines, Demag on the top end of the range; there are plans for sales co-operation in certain markets. Where a company has a very small share of continental markets and is virtually unknown there, an alliance with, or an acquisition of, an established local supplier can be an effective means of making up for lost time. There have been suggestions, for example, that British Leyland, instead of attempting to build a continental truck business from scratch, should have got together with a company like Berliet in France or Magirus Deutz in Germany, obtaining access to a ready-made sales and distribution network. In the meantime the drive for sales in the developing countries continues. An increasingly important feature of business in these areas is the need for the exporter to commit himself to something more than a straightforward selling arrangement. Countries like Brazil and Iran, in particular, are looking for companies which are prepared to enter into a partnership, either with the Government or with local investors or a combination of both, which may include the sale of equipment from the U.K., but also provides for assistance in the establishment of local factories. This type of contract is more complicated than conventional exporting and more demanding in terms of the management, engineering and financial resources that have to be made available for particular deals. It is not attractive to those companies which have been accustomed to regard exports as no more than a marginal addition to sales volume. Yet in a sense it is no more than a logical extension of the normal principle of overseas marketing—to understand fully what the customer wants, and to devise a package which meets his requirements. If the package has to include a partnership with local industry, that, too, must be provided. Ideally, therefore, the successful engineering company should have both the technological and commercial strength to compete against the Germans, the Americans and the Japanese in their own home markets, and the flexibility and management resources to provide the developing countries with what they want. Fortunately there are British companies which possess this combination of qualities. The example is there for others to follow.

Geoffrey Owen

The competition

PEOPLE WHO have looked for simple explanations of West Germany's success in engineering, some ingredient which could easily be transplanted to the U.K., have been disappointed. The strength of the German engineering industry is not a matter of structure. Germany has much the same mixture as the U.K., a sprinkling of big, diversified engineering companies followed by a large number of medium-sized and smaller firms. If anything, the Germans have more small companies (many of them family controlled) and fewer big ones than the U.K. Nor is it a matter of the special relationship between the manufacturers and the banks or the absence of a stock market with the size and influence of the London Stock Exchange. German companies may sometimes take a longer view of profitability, but this does not appear to be related to the differing financial structures in the two countries. According to one recent study, the competitiveness of German engineering products, despite successive currency revaluations, can be put down to three factors. First is the quality and reliability of the industry's products making them relatively insensitive to price increases. Second is the fact that once equipped with German machinery a firm may find it more economical to go on buying from the same source despite uncompetitive prices; this avoids the cost of training operators in new types of machinery and the extra investment in spares. Finally, the Germans have an enviable reputation for prompt delivery and reliable service.

Tradition

Even more important, perhaps, the Germans have a tradition of looking to the world market for their sales opportunities. In many sectors of engineering—machine tools, pumps and compressors, textile machinery, steelworks plant—the proportion of output which goes to overseas markets is well above 50 per cent. Yet the Germans are not invincible. Just a few weeks ago Davy International defeated Lurgi of West Germany to win a £147m contract to build two methanol plants in the Soviet Union—and this is a field in which Germans have built up a very strong position in Eastern Europe. One isolated contract does not mark a change of trend, but it is arguable that the German engineering industry faces a number of new challenges to its export supremacy which will prove difficult to overcome. One is the problem of price competitiveness. This is shown

market absorbed most of their energies and the need to export was not as compelling as in consumer goods such as cars and TV sets. Certainly the Japanese have made their presence felt in certain sectors: ball bearings is one example where Japanese competition has caused considerable trouble on the trade front with Europe and the U.S. Several Japanese manufacturers—Komatsu in earth-moving equipment; Hitachi in electric power equipment—have become major international competitors, especially in third world markets. The Japanese share of world exports in non-electrical machinery is less than a third of the German share, whereas in transport equipment Japan is ahead. Competitive One sector in which the Japanese have been highly competitive and to which they evidently intend to devote more attention, is the supply of large, turnkey plants, such as petrochemical plants, oil refineries, steel mills and the like. Japanese plant engineering companies, such as Chiyoda Chemical and Toyo Engineering, have won a number of major contracts in Eastern Europe and in developing countries, often in consortia which include one of the big trading companies. Given the size and financial complexity of some of these deals, and the need in some cases to "buy back" part of the output of the new plants, the close relationship between trading company and contractor can be an important competitive advantage. Some recent Japanese contracts in Nigeria illustrate the

G.O.

U.K. TRADE PERFORMANCE IN MAJOR SECTORS IN 1975 AND 1976

Table showing U.K. trade performance in major sectors in 1975 and 1976. Columns include Exports, Imports, and Balance for 1976 and 1975. Sectors include Non-electric machinery, Aircraft engines, Internal combustion engines, Tractors, Office machines, Metalworking machinery, Textile machinery, Electrical machinery, etc.

SHARES OF WORLD EXPORTS OF ENGINEERING PRODUCTS 1970-75

Table showing shares of world exports of engineering products from 1970 to 1975. Columns show percentages for 1970, 1971, 1972, 1973, 1974, and 1975. Sectors include Non-electric machinery, Electrical machinery, Transport equipment, West Germany, France, Japan, etc.

Source: OECD Statistics.

THE INSTITUTION OF ELECTRICAL ENGINEERS

Founded 1871 Incorporated by Royal Charter

Patron: Her Majesty the Queen

The Qualifying, Regulating and Learned Society for Professional Electrical and Electronics Engineers with 70,000 members in the United Kingdom and 123 countries overseas

SAVOY PLACE LONDON WC2R 0BL



Justus

# We put a great deal in so that a great deal of people get a great deal out.

It's the old story of sowing in order to reap. Throughout 1975 and 1976, our capital investment programme added up to £130 million.

This year, we're planning to invest a further £95 million.

A lot of money.

But then, the benefits are pretty big too.

New factories and improved plant mean good products delivered in good time to our UK customers.

They also mean that we can trade more competitively in Europe where we can make more profit to invest back in the UK.

Our 73,000 UK employees benefit from more secure jobs and more job opportunities with better conditions and equipment.

Our investors benefit from improving dividends and share prices secured into the future.

Of course, our capital investment policy is not entirely selfless.

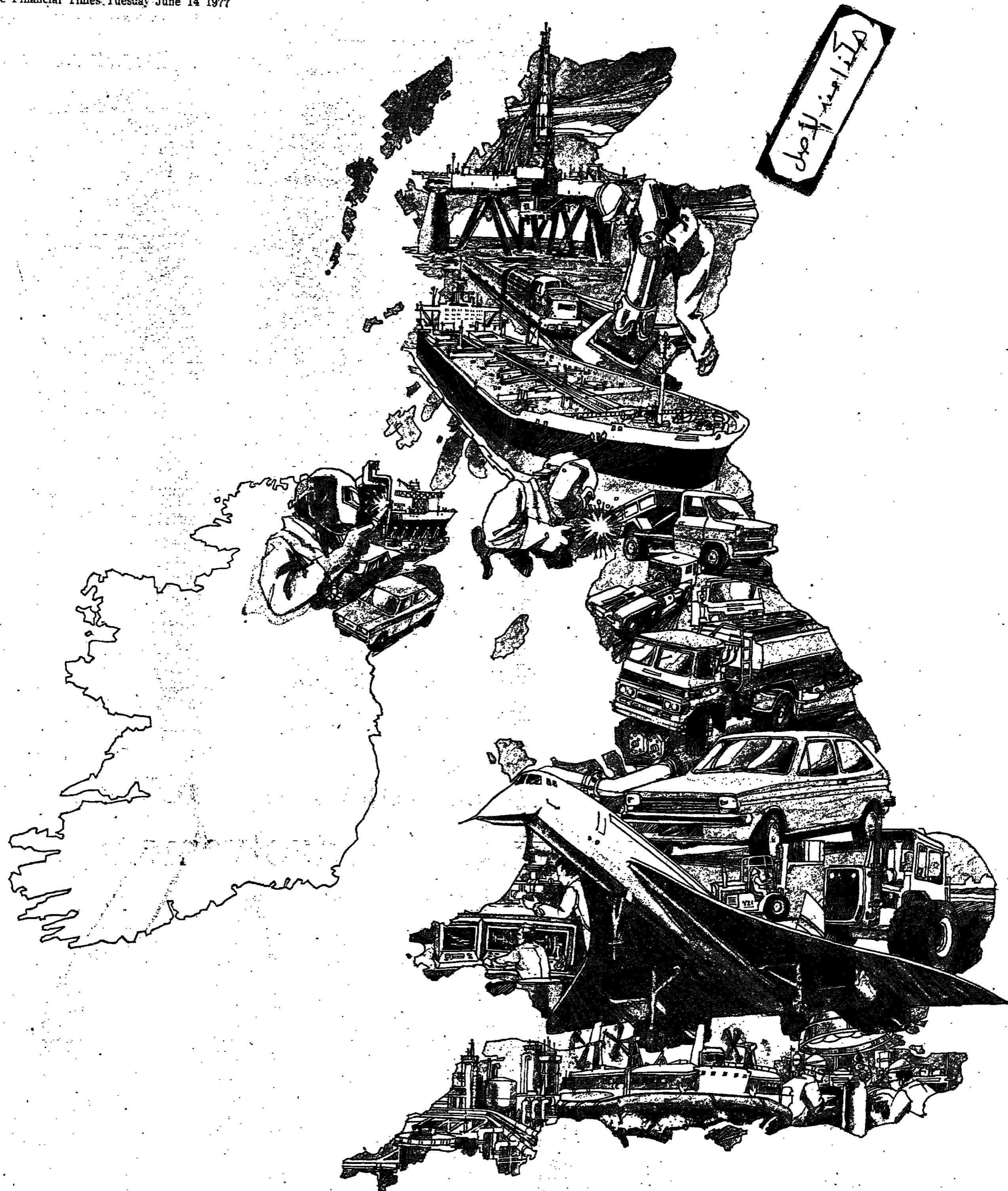
We benefit.

Investment means development. Development means a stronger and more varied base for the Group.

But then, perhaps even our selfish motives are making sure that everyone will continue to benefit in the future.







# Billets—helping to shape a greater Britain

Take away the things that start with special steel billets from BSC, and the gaps in Britain's output would make your hair stand on end. That's absolutely true about the scene today—but what about tomorrow?

Now we're coming to the end of the seventies, and with the even tougher eighties coming up fast, it's no good offering industry what used to be adequate. And we don't.

You're welcome to look right round the world for the special steel billets that come up to every single part of your specifications, but the place you'll

end up dealing with is Rotherham in Yorkshire.

Today, we're the ones who are making the running in special steel billets. We've got the hardware and the technology. Our ruthless quality control has become an industry in itself. Our size range is built to meet reality. We make and market the way that suits all our customers, especially those in exporting.

And since price also comes into your calculations, we have to make sure we're competitive.

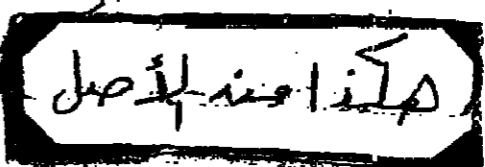
Special steel billets from British Steel. They're basic... to everyone in these islands.

BSC Billet, Bar and Rod—a Product Unit in British Steel



BSC Billet, Bar & Rod Products, P.O. Box 50, Sheffield Road, Rotherham, S60 1DW





# Institutions plough their own furrows

THE ROLE of the U.K. engineering institutions is quite clear and well-established. But there is still some heart-searching going on about the central organisation, the Council of Engineering Institutions (CEI).

There are 50 or so institutions in Britain and they all exist to disseminate information, to be "learned societies" for their members. By organising lecture programmes and publishing learned journals, they enable engineers to keep up to date with the latest developments within their particular disciplines.

Many engineers belong to more than one institution and there are inter-disciplinary lectures arranged by institutions when there is common ground to be covered.

"Engineers still prefer to have lectures about their own particular discipline. And this is very well done by the separate institutions," explained Sir Charles Pringle, this year's chairman of the CEI. He does not believe in the idea that there should be one large, central body for engineers to take on the "learned society" role.

## Tendency

However, instead of a tendency to merge, the engineering institutions are becoming more numerous. This is easy to understand in the light of Sir Charles' explanation—that engineers like to hear about their own particular "patch." As new disciplines have emerged, so new institutions have been formed.

To take a couple of obvious examples, during the post-war period the Institution of Nuclear Engineers has sprung up (its members are involved in power stations, not weaponry) as has the Institution of Building Services Engineers which for most of its life was known as the Heating and Ventilation Engineers Institution.

The basic need the professional engineer seems to feel for specialisation also shows within the larger institutions which tend to be split into various interest groups. For example, the Institution of Mechanical Engineers has no fewer than 13 disciplinary groups ranging from applied mechanics to tribology. Two of the 13 are described by the Mechanicals as "divisions" because of their importance—they are "railway" and "automobile." Members can join as many groups as they like.

The institutions work via branch networks. There is little likelihood of a busy engineer wanting to spend time and money to attend all the lectures in London if he lives far away from the capital. So the institutions take the lecturers to the country. To quote the example of the Mechanicals again, the Institution has 20 branches, including five overseas branches.

Because there is such a wide variety of disciplines and such a proliferation of interests within the profession, it is not surprising that the central body, the CEI, has been riven by internal arguments almost since the time it was set up some 12 years ago. The situation was not helped by its extremely democratic but very time-consuming approach to the profession's problems.

There was an earlier grouping, called the Engineering Institutions Joint Council, and it was from that source that the CEI emerged. Its declared aim is to "promote and maintain

in the public interest the unity, integrity and quality of the engineering profession."

With this in mind, it is much concerned with the establishment and continuing improvement of standards of qualification, competence and conduct for engineers.

It is the registering body for chartered engineers, technician engineers and technicians. And it is supposed to act as spokesman for the profession in matters of national and international importance.

The CEI's Royal Charter gives it the authority to grant the title "Chartered Engineer" (C.Eng.) which denotes a level of overall professional competence acceptable to the CEI (and hence other engineers).

To become a Chartered Engineer, a person must be a corporate member of one of the constituent institutions of the CEI; be at least 25 years old; have attained an academic standard recognised by CEI as equivalent to its own examination (that is a degree or equivalent in engineering or accepted related subject); have undergone a minimum period of training and professional responsibility which varies according to the institution concerned but which will not be less than three years in aggregate.

"We believe that a Chartered Engineer should satisfy certain academic requirements; should have practical experience; and the facility to update his knowledge by belonging to one of the learned institutions," Sir Charles Pringle sums up.

At present the CEI administers the examinations for potential members of 15 member institutions and keeps a register of chartered engineers, technician engineers and technicians in another 34 institutions. There were at a recent count about 211,000 Chartered Engineers registered but the total probably comes down to something like 170,000, once multiple registrations are taken into account. The number of technician engineers registered was roughly 42,600 and of technicians, 15,000.

## Projection

It took the CEI nearly ten years to decide on the minimum standards of qualification, just one sign of the way the cumbersome "federated" structure slowed down progress. For all those years the governing Board of the CEI consisted of three members from each of the 15 institutions. Any decision had to be carried by a three-quarters majority, another projection for the smaller institutions against the might of the "big three," the Mechanicals, the Electrical Engineers and the Civil Engineers which between them represents 60 per cent of the U.K.'s chartered engineers.

To compound the problems, representatives often had to report back to their individual institutions before making a final decision on topics of importance.

Attempts to change this ultimately absurd process moved forward three years ago when the "big three" institutions called for a change of emphasis—the CEI, they said, should be for engineers, not for the engineering institutions.

It took three years and a lot of hard bargaining before agreement was finally reached last July. A supplemental charter now awaiting Privy Council approval will give the CEI a governing Board of 37 people, 15 appointed by the institutions—that is one each—and 15 elected by the members of the institutions by single transferable vote. The other seven would be co-opted and include the chairman, vice-chairman, immediate past chairman, three people from the Engineers Registration Board and the chairman of the regional affairs committee.

On the face of it this has not done much to overcome the out-of-proportion weight the smaller institutions can carry by their votes. However, in the spirit of the proposals, decision-taking within the CEI has already been speeded up considerably by the

simple expedient of the Board delegating this function to an executive committee of 12 which meets once a month.

And while the delegating process was going on, it was also decided that the chairman should also be given the power to take responsibility when "instant" decisions are called for. Although it is preferred that he acts with at least one other Board member, he can take decisions without referring to anyone else.

The other important change the new Charter will bring is that individual engineers will be able to become members of the CEI. At present membership is only possible through one of the 15 chartered institutions. These changes have come about because of grassroots pressure, particularly from younger engineers.

The same people are looking to the CEI to do more for the

individual engineer in the way of personal services. For this reason the CEI is examining the possibility of setting up a limited company which would, for example, give careers advice to professional engineers, give legal advice and advice on conditions of service, employment and insurance.

What the CEI cannot become, because of its chartered status, is anything approaching a "trade union" for professional engineers.

The young engineers are also expecting the CEI to make more impact in the public arena and for this reason the public relations department is to be strengthened.

But as Sir Charles Pringle points out, "the primary task of the CEI is still the advancement of the art and science of engineering."

K. G.



Work on Marples Ridgway's £46m. road building project linking the centre of Iran with the Pakistan border.



These illustrations are from 'Vickers World' which gives a full picture of Vickers Activities. If you would like a copy write to us at the address below.

## Professional

CONTINUED FROM PREVIOUS PAGE

regularly meet with the EEF's permanent staff to identify these common problems, those which affect all sectors.

As the official voice of engineering employers, the EEF represents members' views to the Commission in Brussels, the government at Westminster, the political parties and the media. It has, for example, made its views on the Bullock proposals widely known.

The federation's line closely resembles that of the CBI in this particular case. And, indeed, the EEF has representation on the major policy committees at the CBI as well as four seats on the CBI Council.

This is regarded by the federation as particularly important since there are a number of areas where engineering needs to put across special representations which are only relevant to its own area of industry.

The EEF also maintains close links with the National Economic

Development Office, supports the industrial strategy programme and is doing its best to make sure that the sector working parties achieve at least part of what they set out to do.

Like many of the trade associations, too, the federation is spending much more time developing its European links, establishing contacts with Continental employers' organisations.

But perhaps the most interesting of the new tasks being undertaken by the federation is the one of providing the industry with the cohesive, co-ordinated voice that it has previously lacked on all but industrial relations subjects.

Demand for this particular "service" sprang from the industry's grass roots as engineering companies came to realise that the more governments intervened in their affairs, the more urgent it became for the industry to find a unified voice.

K. G.

# We're engineers to the world. And much more besides.

The Vickers tradition for engineering excellence goes hand in hand with a constant readiness to meet new needs.

So today, as oil and gas are extracted from the North Sea, Vickers is there with its submersibles to tackle the jobs of sea-bed engineering.

Modern offices need sophisticated copying machines and filing systems, not to mention office furniture and mailroom equipment. Once again Vickers is there through Roneo Vickers, one of the largest British owned multi-product office equipment groups, with a turnover of about £100,000,000 last year.

Highest quality printing needs highest quality lithographic plates, and here Howson-Algraphy, a Vickers company, is a world leader.

From the Soviet Union comes a call for a special machine to test aircraft tyres and brakes. Vickers engineer and manufacture it.

In Canada and Australia, Vickers make the machinery on which basic industries depend.

High technology. The flexibility to meet new needs. The ability to stand on our own feet financially. These are the hallmarks of Vickers.

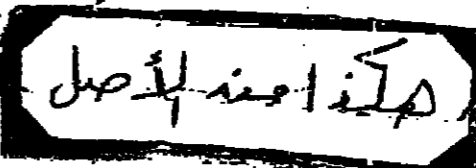


Expansion from strength

Vickers Limited, Vickers House, Trafford, London N11 1P, U.K.A.







# Electrical sector has its problems

THE ELECTRICAL engineering industry divides naturally into two halves: that for machines which produce electricity and those which consume it. Both are suffering from the prolonged recession which followed the oil crisis in 1974, and both face a long term structural challenge.

In recent months the power engineering industry, which makes turbines and generators for power stations, has received widespread publicity following a report from the Central Policy Review Staff (Think Tank). It said urgent action was needed to prevent the industry's collapse or severe contraction.

Strategically, the heavy power engineering factories have been considered more important than the sector making electric motors, the consumers of electricity. This is partly because generating equipment depends on a high and constantly developing technology in which Britain has been among the world leaders. It is therefore an industry of high added value, which depends upon the advanced skills available in the U.K., but not so far developed in countries with cheaper labour. Electric motors, on the other hand, can be made in highly automated plants with semi skilled labour, and do not demand anything like the same degree of research and development, at any rate, in the smaller sizes.

Power engineering also makes a greater contribution to the national economy with exports measured in hundreds of millions of pounds rather than in tens of millions as is the case with motors. The Think Tank estimated that the consequence

of allowing the power engineering industry to collapse would be an increase in the U.K.'s import bill of about £350m. a year. By contrast the total U.K. market for electric motors in the range 1 to 500 HP was about £80m. last year, with a balance of trade of only £3m. in the U.K.'s favour.

But perhaps the main reason for the intense focus of public attention on the heavy power engineering industry is that the enormous size of modern sets has made ordering decisions individually far more important than they ever were in the past. Power stations are now rated at 2,000 MW or more, some ten times the size of some stations which are still in use. As a result, the decision of whether to order a particular station now or in two years' time can literally mean life or death for a factory. It is inevitable, therefore, that these decisions have become highly political and that they are tending to be taken more by the Government than by the Generating Boards appointed for the purpose.

However, the important debate on power stations and their supplying industry should not obscure the very critical position of the electric motor industry: for if power engineering provides the nation's energy, the motor industry accounts for a very large part of its muscle power. If, therefore, the motor manufacturers should fall to keep a healthy share of their home market, any general expansion of industry in the future will be attended by a bottleneck in the supply of motors or a serious increase in the import bill.

The motor manufacturers, like the power engineering companies, are having to face rapidly increasing foreign competition at a time when the domestic market is slack and there is a substantial overcapacity in factories at home and abroad. These difficulties, common to the whole electrical engineering industry (with a few specialised exceptions) are, however, only the starting point.

### Deficiency

The turbine generator industry suffers, in addition, from a basic structural deficiency which has been obvious for several years although it has only recently become the subject of general public debate. The two companies, C. A. Parsons of Heaton, Newcastle and the General Electric Company are competing in a market which is much too small to support two separate technologies with their associated research and development. Even during the boom period of the 1960s when orders exceeded 10,000 MW in a year, both companies were smaller than their major international competitors. Now, with a prospect of 5,000 MW a year between them at best, it is obvious that they must pool production resources and merge their design efforts. Even a merged company would be considerably smaller than Brown Boveri of Switzerland, the Kraftwerk Union of Germany or General Electric and Westinghouse of the U.S.A.

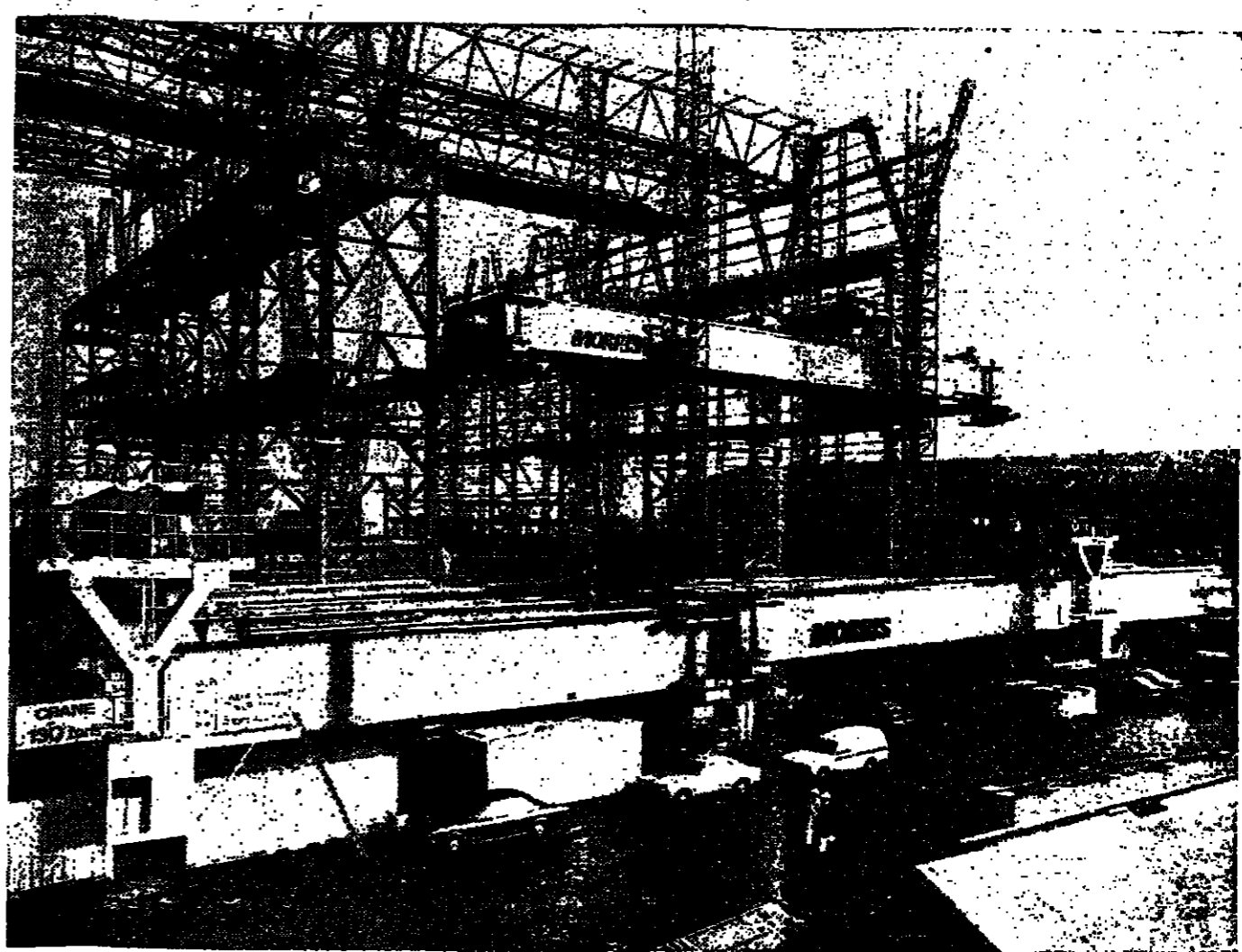
For this reason alone, a merger would appear desirable,

and it has indeed been strongly urged by the Think Tank and the National Economic Development Organisation's Sector Working Party on the industry. There are, however, two further spurs: the first is that after a spate of power station orders in the 1960s, expected demand for electricity has fallen so much that only a trickle of new orders would be needed during the next decade on strict economic calculations.

The present capacity of the Central Electricity Generating Board is some 20 per cent more than it would need even during an exceptionally cold period. It has agreed, under pressure from the Government to institute a steady ordering programme for the 1980s which, together with orders from Scotland, would give the industry 2,000MW a year starting in 1979. But unless the economy grows faster than expected, this already represents generous support for the industry. The Think Tank estimated that such a programme of support would cost a total of nearly £1bn. over the decade.

In addition to the hiatus in domestic orders, the industry's second motive for merging is the increasingly tense competition for overseas orders. The large Japanese power engineering companies, which build under licence from the U.S., have been able to tender down to 30 per cent lower than British and European competitors.

Furthermore the U.K. companies are handicapped by the fact that Britain has no exportable nuclear power system at present and is unlikely to have



The first 130-ton capacity, electric overhead travelling crane to be erected in one piece in the U.K. by hydraulic jacks to 115 feet high gantries at Cammell Laird Shipbuilders Ltd. at Birkenhead. Four of the cranes, each weighing 310 tons, were supplied by Herbert Morris Ltd., of Loughborough.

one until at least the mid 1980s. Since it is expected that about 12,000MW a year of the total 20,000MW orders available to U.K. companies in the early 1980s will be nuclear, and many of them turnkey contracts, there is an additional argument for a rapid consolidation of forces.

These arguments have now been accepted by the Government and by both companies, but it has nevertheless proved difficult to bridge the traditional rivalry between GEC and C. A. Parsons.

GEC, with a stronger order book, much larger financial backing, and according to Government advisers, better management, should naturally take over C. A. Parsons. But until some way can be found to assuage the hostility of the Parsons workforce to GEC, fanned by fears of redundancy, the future of the industry must remain uncertain.

While the problem of the

power engineering industry is one of contraction and rationalisation, the electric motor manufacturers face the perhaps even more difficult job of expanding capacity and increasing efficiency during a recession.

The two main companies in the field are Hawker Siddeley and GEC. Both have failed, in the past, to match the impressive investments in the automated production of small motors which have taken place on the Continent. As a result they were unable to meet the admittedly inflated demand which preceded the oil crisis. Importers, who gained a foothold in the U.K. market then, have tended to maintain their hold even during the recession.

Meanwhile the U.K. manufacturers, who have been used to a relatively easy market in the old Commonwealth, are finding the 'length of foreign factories where greatest difficulty in gaining output per man is about double that in the U.K. At present

lower labour costs in the U.K. tend to cancel out this disadvantage, but in the long term, there seems little doubt that the main market in smaller motors will go to the manufacturers who can match highly automated methods in mass markets.

An additional problem is that the industry suffers a well known four year trade cycle, which means that investment may often need to be undertaken just when orders are lowest. Furthermore, the companies are having to look up substantial capital in stocking to meet the acceleration of demand which they hope will accompany the next upswing.

The electric motor industry, therefore, presents a complex series of commercial problems which, although they are less in the limelight, are in many ways just as acute as those facing the power engineering business.

Max Wilkinson

# Profits better than expected

ON THE WHOLE, the financial performance of the UK engineering industry during 1976 was better than might have been expected from a sector that was earmarked for a financial crisis less than two years ago. Although overall industry profits grew by about a fifth, however, this is still half the rate of profits growth shown by the corporate sector overall and puts into perspective the results achieved last year by the industry. What is of interest is that profits moved ahead, substantially in some cases, against an unhealthy economic background. Investment by manufacturing industry, for example, had by the end of 1976 fallen to its lowest level in real terms for over ten years. The main factor helping to offset this trend in demand at home has been the dramatic fall in the value of sterling during the past twelve months.

The fall in the pound by up to a quarter against leading currencies just about kept pace with the increase in the cost of fuel and material inputs but far outstripped the rise in average earnings in the engineering industry which rose by less than a tenth in the circumstances it would have been difficult for any company with a reasonable export business to avoid either increasing its margins or expanding its share of overseas markets. Last year unit values of exported machinery rose by 25 per cent on static volume but in local terms this was almost cancelled by the drop in sterling. Indeed to a company exporting a third of its output, such an increase in export prices is worth a couple of per cent on total group margins. Companies with overseas subsidiaries also benefited from sterling's fall in drawing up their profit and loss accounts.

The extent to which a falling pound has prevented an outright collapse in the competi-

tiveness of the U.K. engineering industry can be seen from the fact that unit values of exported machinery from the U.K. all but doubled between 1973 and 1976. This compares with rises of just under a half in the case of the U.S. and barely a quarter in the case of West Germany. But while the weakness of sterling has roughly restored competitiveness during the period it is unlikely that this source of support will be available in the near future. While the pound remains firm and U.K. inflation rates continue to outstrip international averages, pressure will reappear on export margins unless there is a substantial recovery in international demand for metal and engineering products. Fortunately the net new order position has been picking up strongly throughout 1976 for mechanical engineering products—rising by almost two-fifths. Sales have not responded to this increase with quite the speed shown at the time of the last pick-up in 1972/73 largely because the order books of many companies are still fairly low and also because of a natural caution to expand production facilities.

### Influence

One other major influence on the financial environment in which engineering companies operated last year was the sharp rise in the price of steel which rose in stages by an average 40 per cent over the 12 months. This gave companies across the industry scope for registering fairly substantial stock profits in their results. A by-product of this has been a noticeable increase in working capital in relation to the recent past in the balance sheets of companies. Crude steel production rose by about 12 per cent, but U.K. deliveries rose by less than half that amount and actual consumption showed hardly any increase at all.

In other words steel stockholders restocked vigorously and consumers slowed the rate at which they had been destocking. Unfortunately stockholders found that in many areas the new prices did not stick, thus preventing them from realising stock profits and at the same time pushing up bank borrowings despite the offsetting influence of stock appreciation relief.

Many of these influences were reflected in the results of the leading engineering companies during 1976. Tube Investments, which last August suggested that its second half performance ought to be maintained at recent levels pushed second half profits by over a third to £31.1m. for a full year total of £49.6m. before tax, compared with £42.3m. A clear feature in the results was the falling pound, with 45 per cent of the group's external sales going to overseas customers. An example of this was in the sharp recovery of the group's cycle division, where profits in the second half jumped by four-fifths, as new markets were found to offset the collapse of the U.S. market which hit 1975 results. Overall group sales rose by just 16 per cent, implying very little volume increase, and there were stock profits of £8m. out of the steel tube division's £26.6m. pre-interest profits.

It, like many other groups, did not neglect its re-equipment programme and capital spending, which rose from £151m. to £22m., continuing on a rising trend. The impact of this and working capital demands led to a rise in group borrowings of £13m., although half of this represented the writing up in terms of sterling of overseas currency borrowings.

GKN, the largest user of steel in the U.K. and one of the principal steel stockholding operators in the country, reported a 40 per cent increase in pre-tax profits to £97.3m., after £15.7m. of additional depreciation—an aspect of the group's long standing approach to inflation accounting. General engineering fell back by £3m. and although the steel and distribution sides together pushed up profits by £6m., the group as a whole estimated that stock profits amounted to £16m. Almost all the growth came from the motor components division which stands to receive a substantial shot in the arm if the proposed acquisition of a

further 50 per cent of Sachs, in which GKN already has a 24.95 per cent stake, is allowed by the German Federal Supreme Court in the next month or so. Steel price rises combined with an initial stock build-up for the group's new rod mill in South Wales led to a working capital increase of £100m. (excluding currency effects). Capital spending, £66m. last year and scheduled to rise to £95m., combined with this to push debt up from 38 per cent of capital and reserves at the beginning of the year to almost 50 per cent. Hence GKN's hefty £87m. rights issue, its second in two years.

### Talks

Profits at GEC, as a representative of electrical machinery manufacturers, rose by almost two-fifths in the first half of its financial year to September. Of greatest interest on the financial front is GEC's proposed dual international group structure, soon to be unveiled, and on operations. It is the attempt to merge the turbine generator sides of GEC and Reynolds Parsons. Such rationalisation has been mirrored elsewhere at the mercy of engineering in the related talks between Babcock and Wilcox and Clarke Chapman on boiler-making. An important move in process plant contracting was also seen in the recent take-over of Head Wrightson by Davy International to give a broadly based plant manufacturing and contracting group.

The engineering industry has begun to pull itself out of the recession but figures recently released by the Department of Industry showed that the process may well take longer than was once expected—order books in February were barely 3 per cent in volume higher than the low point seen last summer and orders-on-hand remained 30 per cent below the peak established in 1973. Last year's favourable financial factors may not recur in 1977 and industrial capacity at home remains noticeably under-utilised. However, the threat to published profit figures presented by inflation accounting has receded temporarily and the newly proposed treatment of deferred tax by the accountancy profession looks like having a marked, if cosmetic, impact on the reported earnings of engineering companies.

Terry Wilkinson

resources management  
environmental studies  
engineering  
patents  
fire  
instruments  
materials/design

OMC INDUSTRIAL RESEARCH LTD  
229 Mile End Road London E1 4AA  
nearest station Stepney Green District Line  
01-790 8425  
telex 28905 ref 980

## The John Brown Group manufactures and sells on a worldwide basis

**GAS TURBINES AND SPECIALIST FABRICATIONS**  
John Brown Engineering (Clydebank).

**PROCESS ENGINEERING AND CONSTRUCTION**  
Constructors John Brown—London.

**MACHINE TOOLS**  
Wickman Group—Coventry.  
Webster and Bennett—Coventry.

**WATER TURBINES AND MINING EQUIPMENT**  
Markham & Co.—Chesterfield.

**CUTTING TOOLS**  
Firth Brown Tools—Sheffield.

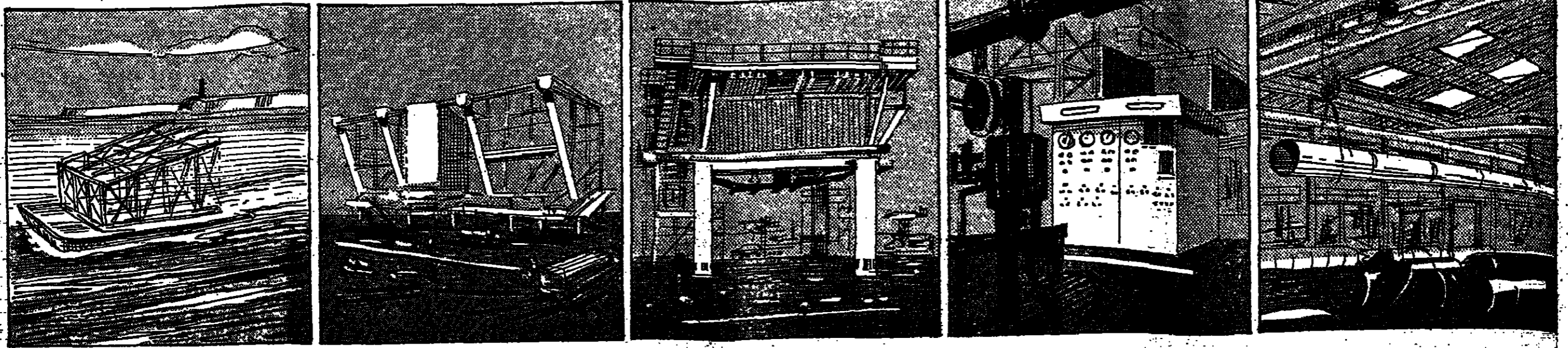
**TRAILERS, FREIGHT CONTAINERS AND VEHICLE BODIES**  
Craven Tasker Group—Woodville and Andover.  
East Lancashire Coachbuilders—Blackburn.

**PLASTICS AND RUBBER MACHINERY**  
John Brown Plastics Machinery—Sheffield.

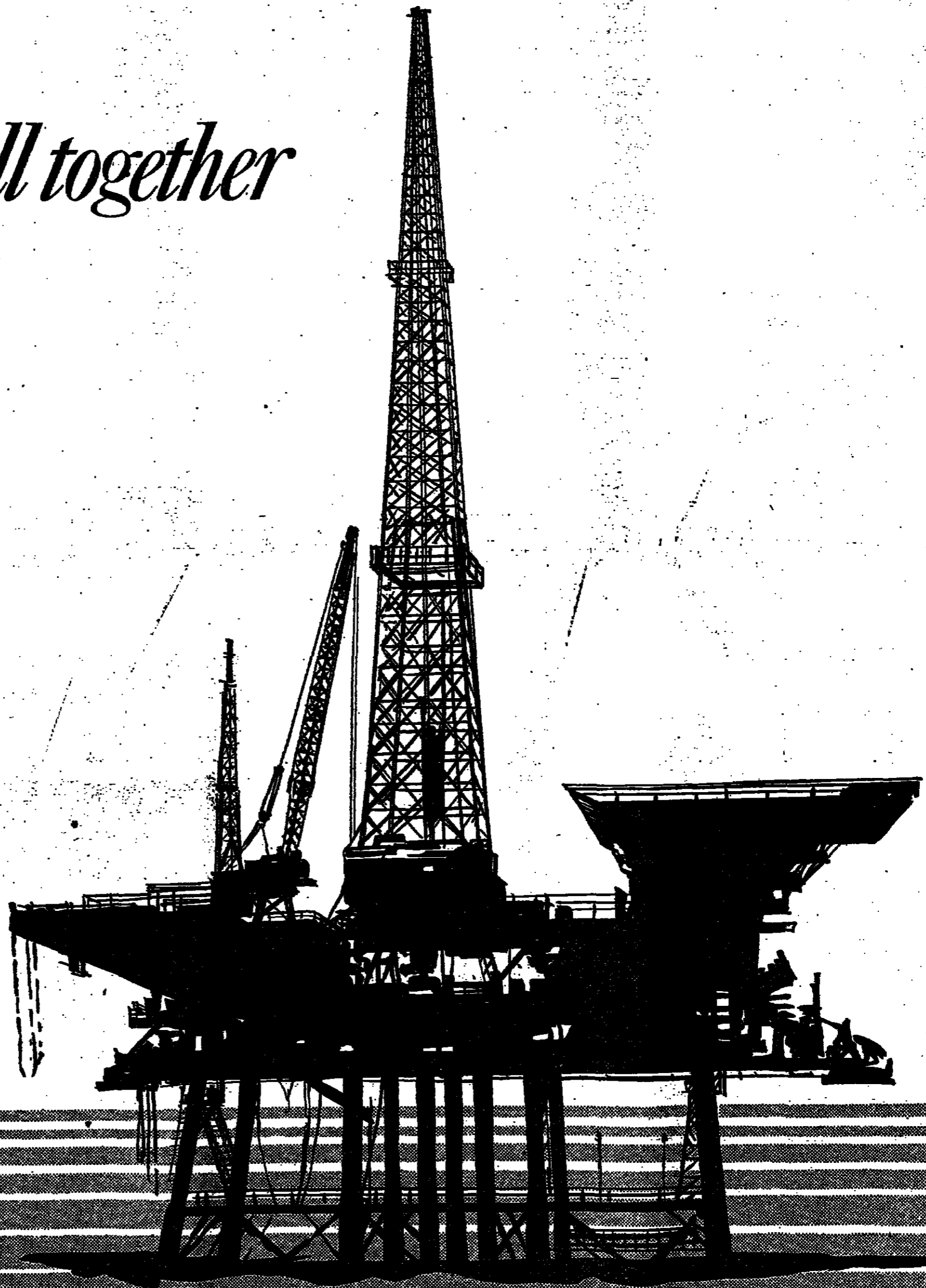
# John Brown

AND COMPANY, LIMITED  
8 The Sanctuary, Westminster,  
London SW1P 3JU.

TO DAY  
Rh



*We've put it all together*



**YOU'VE SEEN THE REST NOW MEET THE BEST**

**W**

**THE WELDIT GROUP**

**G**

Weldit Engineering (Humber) Limited  
Grange Lane North, Scunthorpe, South Humberside, England.  
Telephone: STD 0724 63261-5 Telex: 527076

Weldit Engineering (Fabricators) Limited  
Grange Lane North, Scunthorpe, South Humberside, England.  
Telephone: STD 0724 63261-5 Telex 527076

Bronte - CMR Electronics  
Northampton Road, Scunthorpe, South Humberside, England.  
Telephone: STD 0724 63151 Telex: 527076

مكاتبنا في لندن

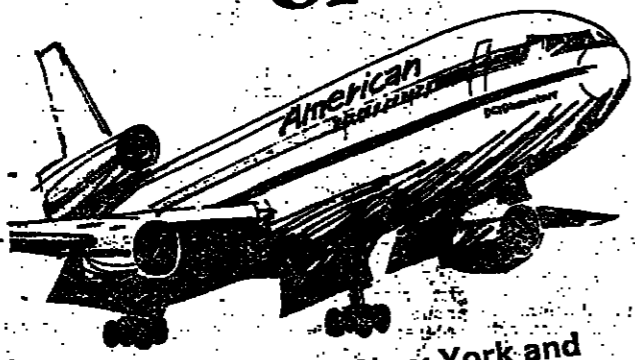




*Just as it is*



## The insurance world of C.E. Heath.



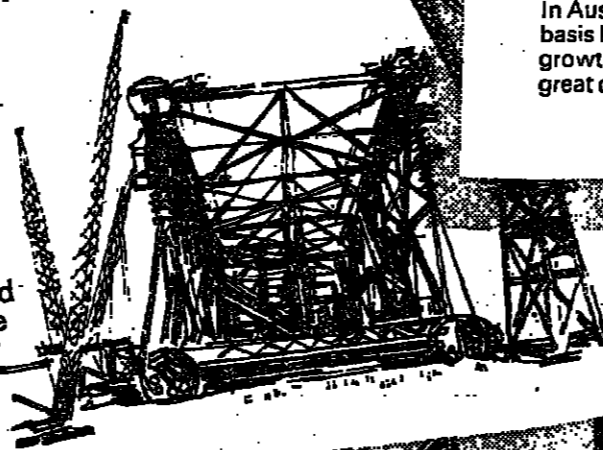
**American Airlines**  
The London Market placement for American Airlines Inc. is arranged by C. E. Heath for Alexander and Alexander N.Y.

**Port Authority of New York and New Jersey**  
C. E. Heath has placed in London and world-wide markets the liability and property insurance cover of the Port Authority of New York and New Jersey including the World Trade Centre complex.



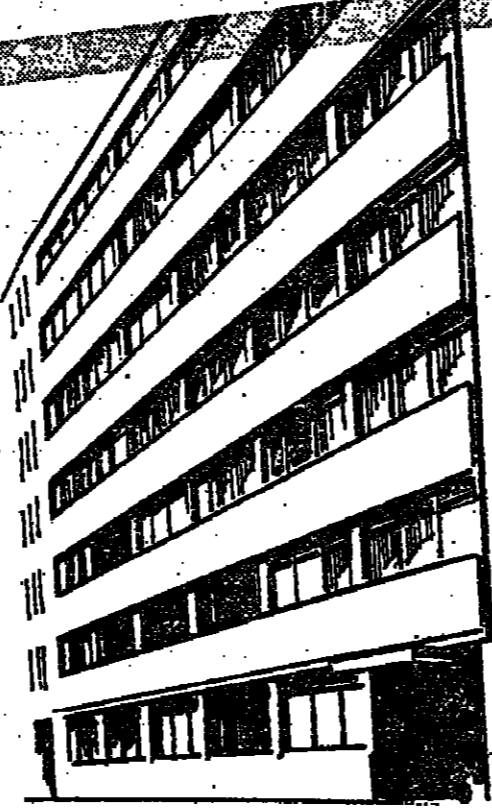
**The Thistle A Project**  
The World's largest off-shore platform - the Thistle A project. We were chosen by the contractors, Laing Offshore, to insure the site; the dock gates; certain equipment used in the construction of the platform including the specially adapted cranes and their transportation and erection; plus the overall liability for Laing Offshore in their capacity as contractors.

**Cartier**  
Cartier are one of the leading International Jewellers with branches in the major cities of the world. A large part of their insurance requirements and those of other major jewellery concerns are handled by C E Heath in the London and Overseas markets.



### Cuthbert Heath House

The Group's new headquarters building was officially opened by the Chairman of Lloyd's, Sir Havelock Hudson, on 17th September 1976.  
Sir Havelock Hudson remarked that in his book on Lloyd's, Eric Gibb wrote "There are today few Lloyd's Underwriters and no Lloyd's Brokers whose business has not been revolutionised by what Cuthbert Heath did; and to his imagination and foresight even the insurance companies owe much of their present prosperity."  
Sir Havelock Hudson went on to comment "I have, during my period of office, tried to get across to the public, to politicians and to government officials, the enormous and highly successful efforts of Lloyd's Brokers in travelling the length and breadth of the globe to bring back business to the London Insurance Market.  
Lloyd's Brokers contribution to the U.K. economy cannot be over-emphasised and no small part of that contribution comes from C. E. Heath & Co., a great Lloyd's firm"



# Another outstanding year Group profits up 80%

Highlights from the year to 31st March 1977 shown in the Report and Accounts and the Statement by Frank Holland, Chairman of C. E. Heath & Co. Limited

### The Year's Results

The excellent progress made in recent years has been maintained. The operating profit at £11,454,000 shows an increase of almost 80% over the previous year and the profit available for appropriation at £5.76m is up by 90%. In this context it is interesting to note that the group was recently included in the Financial Times List of major quoted companies (market capitalisation above £10m) as the second best performing company in terms of growth in market capitalisation for 1976.

A final dividend of 14.0p gross - the maximum permissible - is recommended and in addition the Board recommend a capitalisation issue of two new shares for every one held. This issue will help to correct the balance between our general reserve and the capital of the company and should also improve the marketability of our shares.

### Insurance broking

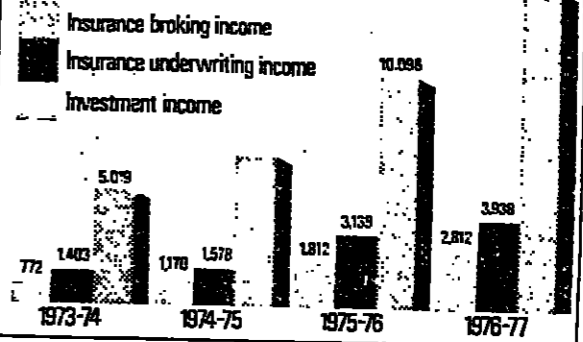
The continued progress of our insurance broking operations is most heartening. Every operating division has made a significant advance in spite of market difficulties. Notwithstanding the obvious problems associated with devaluation of sterling, especially as it affects Lloyd's capacity, our experience in placing covers throughout the international insurance and re-insurance markets in the last year has, if anything, added to the total capacity available.

The Group now handles insurance premiums amounting to £310 million through its broking operations.

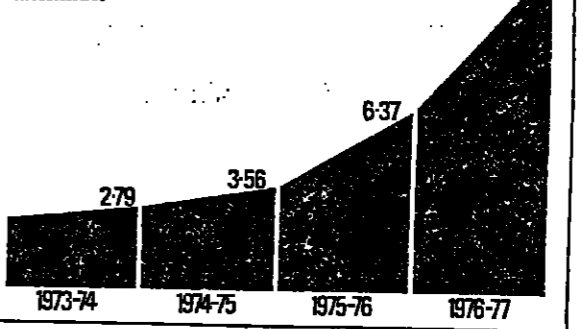
### Underwriting

The Lloyd's Underwriting operations for the 1974 Account resulted in a substantial loss for our Non-Marine Syndicate and there is no profit commission contribution from this source. Our Agencies company is continuing to develop with the introduction of the Pine Top Insurance Company, and the increased volume being written by the Bellefonte Insurance Company has enhanced the fee income of the company. In Australia, the revision of our operating basis has taken place and the continued growth of these operations reflects the very great contribution of our staff there.

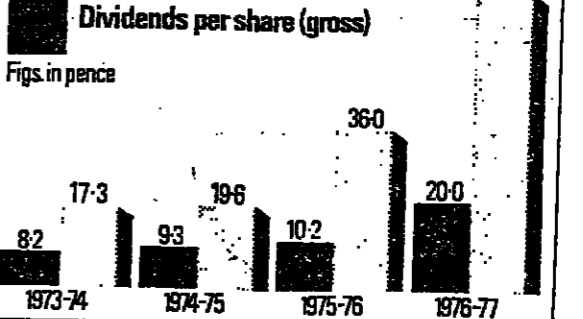
### Analysis of income £ 000's



### Operating profits £ million



### Earnings per share



## Future prospects

It is unrealistic to expect the rate of growth achieved in the last few years to continue, especially if the pound achieves greater stability against other currencies. However, in the past year we have obtained a significant amount of new business and I see no reason why we should not continue to build on our firm foundations.

Satisfying the insurance requirements of our major corporate clients in the past year has been a challenge to our marketing skills. Our success gives me confidence that we shall continue to be recognised as having special strength in this area of vital importance to industry.

Although the 1975 Lloyd's Underwriting Account will almost certainly produce a small loss, a return to profitability should follow shortly. I am also hopeful that our Agencies company will produce a healthy contribution to our results.

Overseas we are looking for continued growth particularly from both our Australian operations - Broking and Underwriting.

*Frank Holland*

Copies of the full Report and Accounts are available from the Secretary,  
**C. E. Heath & Co. Ltd.**

Cuthbert Heath House, 151-154 Minories, London EC3N 1NR.  
Tel: 01-488 2488. Telex: 885280 888088.  
INTERNATIONAL INSURANCE BROKERS  
REINSURANCE BROKERS AND UNDERWRITING AGENTS



£23m. and 40% scrip by Harrison and Crosfield Overseas growth A.B. Foods jumps £14.7m for C. E. Heath to peak £80.4m.

AFTER much lower interest rates of 11.50% compared with 12.50%... BOARD MEETINGS The following companies have notified dates of Board meetings...

However, the U.K. chemical interests were surprisingly buoyant and H and C managed to increase its profits from this source by 44 per cent. The current year has started reasonably well but commodity prices have been softening recently...

MR. F. R. HOLLAND, chairman of C. E. Heath, said that it is unrealistic to expect the rate of growth achieved in the last few years to be maintained... Scoteros leaps by 61.7% PRE-TAX profit surged by 61.7 per cent to a record £1.8m at packaging, drink and food group...

With progress maintained in the second half, pre-tax profit of Associated British Foods, the bakeries and supermarkets subsidiary of Whittington Investments, advanced to a record £80.4m in the year to April 3, 1977... Ariel turns in £0.76m

The difference in exchange rates increased overseas profits by £1.1m. Net margins overseas were maintained at 6.7 per cent while those in the U.K. were up from 4.2 per cent to 4.7 per cent.

The directors also recommended a further two-for-five scrip. They report the dividend to date are well in line with those a year ago. Subject to the usual reservations it is hoped to put satisfactory results before members a year hence.

Delson hit by excess capacity Bolt and nut manufacturers and distributors Delson and Co. reports pre-tax profit of just £4,900 for the year to end January, 1977, compared with £33,143 and Mr. R. E. Lowe, the chairman, says that the group is unlikely to achieve a result much in excess of this figure for the full year.

Overseas the group is looking for continued growth from both the Australian operations and the chairman is optimistic that there will be a good improvement in South Africa. In the year ended March 31, 1977 the excellent progress made by the group in recent years has been maintained.

Rowlinson - peak £1.3m - pays more The difference in exchange rates increased overseas profits by £1.1m. Net margins overseas were maintained at 6.7 per cent while those in the U.K. were up from 4.2 per cent to 4.7 per cent.

TAKABLE profit of Associated British Foods for the year ended March 31, 1977 was £178,498 for the year. For the 15-month period March 31, 1976 to March 31, 1977, it was £171,031.

Table with 2 columns: Item, Value. Includes Turnover, Trading profit, Dividend, etc.

comment The Harrison and Crosfield share price has had a strong upward bias since the start of the year. It is not surprising since the market had been discounting a near doubling in profits, and the price had fallen to a level below the price of H and C's important subsidiary, Sabah Timber, had already been published.

Level trading at Bremner General warehouseman Bremner and Company has maintained its level of trading from the beginning of the year to the end. Mr. J. T. Bremner says in his annual statement.

Shell Chemicals U.K. pushed up its profits by 62 per cent in the first three months of 1977. The rise to £2.3m, compared with £1.4m in the last quarter last year, has continued the improvement in profitability that has progressed quarter by quarter since the end of 1973.

Country & New Town deficit but dividend held AFTER PROVIDING for a loss of £38,097 attributable to assets previously held for development, Country and New Town Properties reports a pre-tax deficit of £39,027 for the year ended March 31, 1977, compared with a profit of £516,984.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on June 13, 1977. Market rates are the average of buying and selling rates except where they are shown to be otherwise.

Scheduled Territory: (s) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate; (D) direct quotation available; (S) selling rate; (B) buying rate; (nom.) nominal; (ex/C) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers rate; (Bas) basic rate; (ca) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Recovery at British Cinematograph Compared with a depressed 1976, the first six months of profits of British Cinematograph Theatres recovered in the second half of 1976, ending January 31, 1977, with a profit of £15,000, sending a reduction of £15,000 to £10,000.

Recovery at British Cinematograph Compared with a depressed 1976, the first six months of profits of British Cinematograph Theatres recovered in the second half of 1976, ending January 31, 1977, with a profit of £15,000, sending a reduction of £15,000 to £10,000.

Table with 3 columns: Place and Local Unit, Value of £ Sterling, Value of \$ Sterling. Lists various countries and their exchange rates.

Thomas Cook Bankers Thomas Cook Travellers Cheques The accepted name for money. Worldwide.

MONEY MARKET Large assistance Bank of England Minimum Lending Rate 8 per cent. A fall in the note circulation was in the market's favour, and Government disbursements exceeded revenue payments to the Exchequer.

The Property and Reversionary Investment Corporation Limited Results to 31 March 1977 Profit before tax £892,491 Dividend per share (maximum permitted) 4.62p Undistributed profit £174,153

WELCO HOLDINGS LIMITED Progress Continues Turnover £2.8m+33.3p.c Pre-tax profit £266,800+30p.c Earnings 1.61p+30p.c Dividend 5p.c.gross, as paid for previous 18 month period

BIDS AND DEALS

Bank Bridge settles debt to David Dixon

Shares in David Dixon bounced up 7p to 44p yesterday on news of the long awaited settlement of a debt of £710,000 owed to it by Bank Bridge Group.

GREENBAT ACQUIRES CONVERTIPAK

Greenbat, a wholly-owned subsidiary of Fairbairn Lawson and Co. Ltd., has bought the receivers of Convertipak.

FOX'S BISCUITS TO PAY 9p

Fox's Biscuits, currently fighting off an unwelcome £1.8m. bid from Northern Foods, which already owns 42.1 per cent. of the company, is forecasting an increase in dividends for the year ended May 1977 to 6p against 1.88p.

JFB/BRITISH ROLLMAKERS

Johnson and Frisk Brown now holds acceptances in respect of £1,384,623 (34.97 per cent.) of the existing British Rollmakers Group shares.

The offer is due to close on Thursday. Yesterday Fox's closed 3p up at 130p compared with the Northern Foods offer of 130p cash.

SHARE STAKES

Francis Sumner (Holdings), Non-beneficial interests of Mr. N. Ovenshaw, a director, has been reduced by sale of 140,000 shares.

YORK TRUST OFFER EXTENDED

The offer by York Trust for Maurice James Holdings has been extended by a further two weeks.

COLMORE'S REJECTION

The Board of Colmore Investments has issued a formal document through financial advisers S. G. Warburg rejecting the offer from T. Cowie.

MINING NEWS

Amgold earnings feel the draught

BY KENNETH MARSTON, MINING EDITOR

REFLECTING last year's fall in the price of gold, which averaged \$125 per ounce over the period, Amgold's earnings for the half-year ended in March 1977 have fallen to £20.3m.

COMBOL FINDS MORE SILVER

Table with 4 columns: Investment Income, Admin. exp., Profit before tax, Taxation. Rows for half-year and full-year figures.

Earnings for the latest half-year equal 93 cents (62.3p) per share. The net asset value per share at June 10 was \$24.32 (£16.46).

Following the recent take-over of the Selection Anglo American Corporation, the latter's holding in Amgold has risen from 26 per cent. to 48 per cent.

This year the price of gold has moved up from \$125 to just over \$133 in March. Since then an easier trend has set in and last night the price closed \$127.75 down at \$128.25.

ROUND-UP

A strike at the Western Australian iron ore producer, Mount Newman, which started on June 3, is not likely to be resolved until Wednesday or Thursday at the earliest.

MINING BRIEFS

BAHAMAN HYDRAULIC—7m output for May 28 tonnes (April 75 tonnes). Low production was due to exceptional repairs of the mill lasting 23 days.

U.S. DEB./LONDON SCOT. AMERICAN

At the meetings of the United States Debenture Corporation and the London Scottish American Trust held on June 10, 1977 to consider the proposed merger of the two companies, all the resolutions proposed at those meetings were duly passed.

APPOINTMENTS

Kellogg of GB group posts

KELLOGG COMPANY OF GREAT BRITAIN has made the following appointments: Mr. W. D. B. Hamilton, at present director of research and development, to become director of scientific affairs.



Mr. W. D. B. Hamilton

Mr. A. M. Armitage and Mr. A. J. R. Collins have been appointed to the Board of GARTMORE FUND MANAGERS. They have also joined the Boards of Gartmore's two Isle of Man-based subsidiaries.

Mr. R. V. Fletcher has been appointed to the Board of LONDON DEPOSIT AGENCIES and also chairman and managing director of London Deposit Agencies (Corporate Finance).

Mr. P. A. E. Carr has been appointed a director of DEBENHAM'S. He will continue to be responsible for personnel.

Mr. John S. Faulder, a director of Charterhouse Development, has been appointed deputy chairman of NAPCOLOUR, the national photographers recently acquired by the Charterhouse Group.

Mr. George Bernard Strakos has been appointed managing director of WORLD-WIDE ASSURANCE COMPANY. He was formerly general manager.

Mr. J. A. Mills is to be managing director of MOLINS on the retirement of Mr. J. C. Walker at the end of August. Mr. P. W. Greenwood will succeed Mr. Mills as managing director of the tobacco machinery division.

Mr. W. N. Horsby a director of Tootal, and Mr. L. A. Bainsbridge, finance director of the clothing division of Tootal, have been appointed directors of SLIMMA GROUP HOLDINGS.

Mr. D. H. Doidge has been appointed deputy managing director of WILLIAM E. FARRER and its associated companies. Moss Engineering Group is the parent concern.

Mr. R. Pickett has been appointed managing director of TECHNOLOGY FOR COMMUNICATIONS INTERNATIONAL LIMITED, a subsidiary of TCI California. He succeeds Mr. M. V. Burridge, who remains a consultant.

Mr. Howard R. Wright, managing director of Courtney Pope Limited, has been appointed to promote offshore oil and gas industry opportunities in France for the ICI GROUP. He will operate from Paris.

Limited, has been appointed to the COURTNEY POPE (HOLDINGS) Board. Mr. Gordon S. Pappworth, a director of Frederick Saxe and Co. and other group companies, has been elected to serve on the executive Courtney Pope (Holdings) Board.

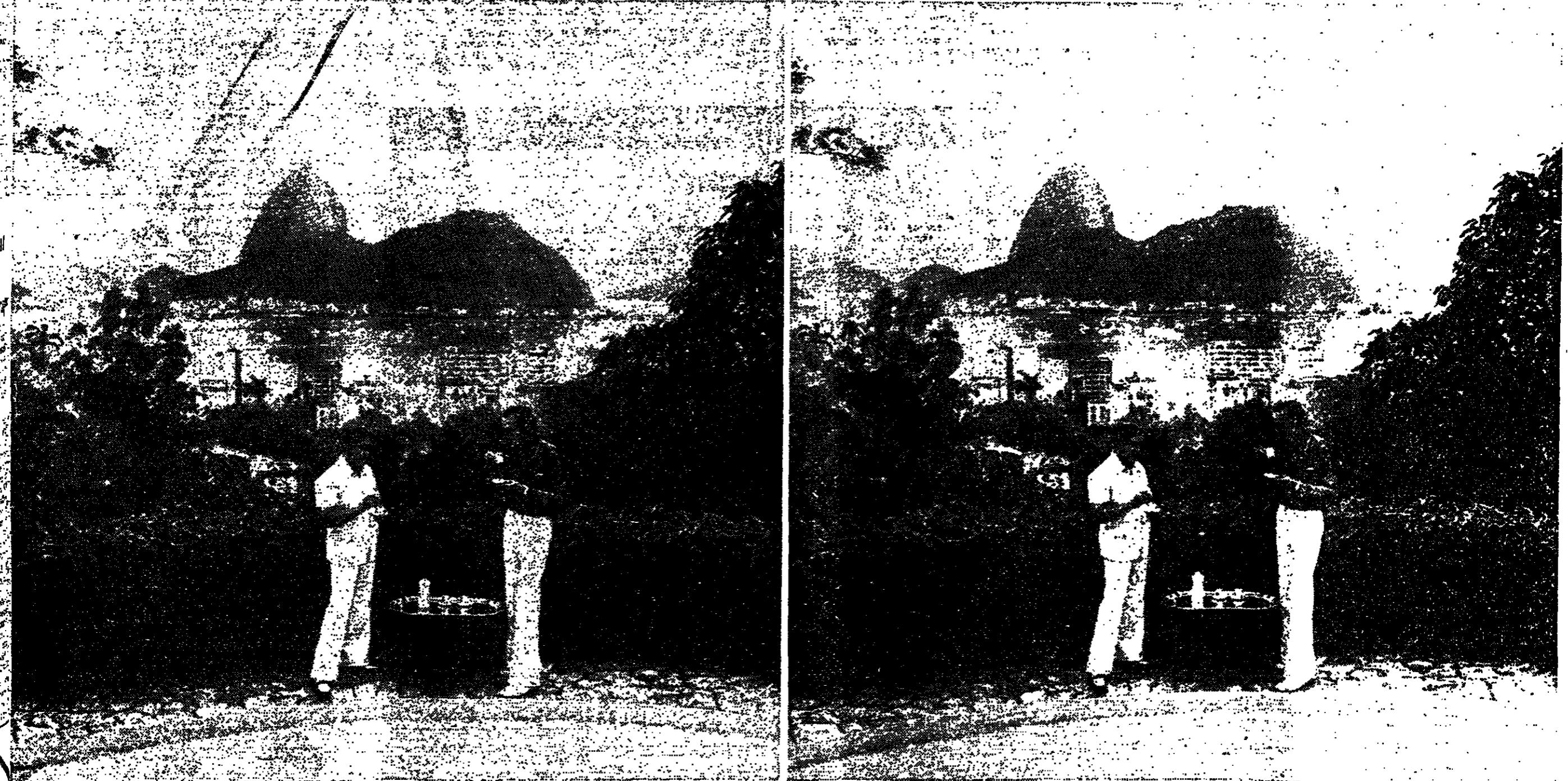
Mr. Walter Marshall, deputy chairman, United Kingdom Atomic Energy Authority and chief scientist, Department of Energy, has been elected a Fellow of the Royal Society, the Royal Society of Engineers, and the Institution of Chemical Engineers in recognition of his contribution to science.

Mr. Peter Brighton has been appointed managing director of PLENEY Mediterranean and Middle East Region, which has its head office in Amman and an office in London. He will take up his new position on July 1. Since March 1974, Mr. Brighton has been managing director of Collins Radio Company of Enfield, a subsidiary of Rockwell International.

The Council of QUEEN ELIZABETH COLLEGE has appointed Dr. Robert S. Barnes, chief scientist of the British Steel Corporation, to the post of principal of the college from April 1, 1978, in succession to Dr. R. G. Donihue, who retires on September 30 this year.

Mr. Gerard Lacroix has been appointed an executive to promote offshore oil and gas industry opportunities in France for the ICI GROUP. He will operate from Paris.

Mr. Bill Dunn has been appointed managing director of PANSONPHIC SYSTEMS (U.K.). He joins the U.K. operation from Australia, where he was managing director of Pansonic Australasia.



Overlooking Sugarloaf Mountain, Rio de Janeiro, Brazil.

—A diferença entre o Chemical Bank e os outros grandes bancos internacionais norte-americanos não está no dinheiro. Está em sua capacidade de agir.—

“The difference between Chemical Bank and the other large U.S. international banks isn't money. It's resourcefulness.”

More than money. In any language. CHEMICAL BANK

Chemical Bank House, 180 Strand, London WC2R 1ET. Representative Offices: Scottish Provident House, 1-2 Waterloo Street, Birmingham-Charlotte House, 17 Charlotte Square, Edinburgh. Main office: New York, N.Y. Bahrain, Beirut, Birmingham, Bogota, Brussels, Buenos Aires, Cairo, Caracas, Channel Islands, Chicago, Dubai, Edinburgh, Frankfurt, Hong Kong, Jakarta, London, Madrid, Manila, Mexico City, Milan, Monrovia, Nassau, Paris, Rio de Janeiro, Rome, San Francisco, Sao Paulo, Singapore, Sydney, Taipei, Tehran, Tokyo, Toronto, Vienna, Zurich.





Twin problems of inflation and unemployment

BY MICHAEL BLANDEN

THE CENTRAL issues facing the governments of the leading countries are the level of unemployment and the rate of inflation. This was stated yesterday in the annual report of the Bank for International Settlements.

The bank adopted what it described as a "selective view" of the major problems. It came down strongly against the use of "fine-tuning" adjustments to monetary and fiscal policies.

In its general assessment, the report found that there had been better international news in the past year, in regard to adjustment to recent pressures and the financing of the continuing imbalances on current account.

A reversal of individual external imbalances was possible, provided countries were ready to embark on appropriate complementary adjustment policies.

Table: MOVEMENTS IN INDUSTRIAL PRODUCTION. Columns: Countries, Change over twelve months to June 1975, June 1976, June 1977, Overall change at June 1977 to Feb. 1977.

Table: CURRENT-ACCOUNT IMBALANCES SINCE THE OIL CRISIS. Columns: Countries and areas, 1971-73, 1974-76, 1977-76.

What was needed was confidence that economic growth will be resumed without a resurgence of inflation.

Medium- to long-term policy strategies would have to make use of all available policy tools. Monetary policy could play a prominent role.

Table: CONSUMER PRICES. Columns: Countries, 1972, 1973, 1974, 1975, 1976, 1977.

COMPANY NOTICES

BRASHELVIST S.A. Notice of Extraordinary General Meeting of Shareholders. The meeting will be held on Monday 20th June 1977.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS. The Annual General Meeting of the Company will be held on Monday 20th June 1977.

RAND MINES, LIMITED (Incorporated in the Republic of South Africa)

DIVIDEND DECLARATIONS. DIVIDEND DECLARATION FOR THE YEAR ENDED 31st MARCH 1977.

LEGAL NOTICES. In the High Court of Justice Chancery Division Companies Court.

APPOINTMENTS

ACROW. one of Britain's most progressive engineering Groups with 32 years of uninterrupted profit growth is looking for A DEPUTY MANAGING DIRECTOR TO BE IN CHARGE OF OVERSEAS OPERATIONS.

Senior Australian Executives. Bowden International Limited advise that the Managing Director of their Australian affiliate, Bowden Australia Pty. Ltd., Mr. Eugene Brauer, will be visiting their offices from June 19 to June 23.

LEGAL APPOINTMENTS. A leading National Company in Housing Development requires a Solicitor at their West London Office to manage their Legal Department.

SOLICITOR. Good Salary and Company Car. A leading National Company in Housing Development requires a Solicitor at their West London Office to manage their Legal Department.

LAWYER. An international commercial and merchant banking group requires a Lawyer to assume legal responsibilities for UK operations, and assist on European and Middle East matters.

COMPANY NOTICES. GOLD STORAGE HOLDINGS LIMITED (Incorporated in the United Kingdom)

Table: Financial statements for GOLD STORAGE HOLDINGS LIMITED. Columns: 1976, 1977.

Outspoken on capital markets

BY MARY CAMPBELL, EUROMARKETS EDITOR

THE SECTION on the international capital markets in the annual report of the Bank for International Settlements is a major authority on the development of the Euromarkets.

World Bank and commercial banks on the subject of lending to the LDCs should be increased.

Liquidity. The abundant supplies of international liquidity last year meant that banks had plenty of lending capacity. However, most demand came from the countries with the weakest balance of payments.

LEGAL NOTICES. In the High Court of Justice Chancery Division Companies Court.

LEGAL NOTICES. In the High Court of Justice Chancery Division Companies Court.

GOURMET. GALLIOLI RESTAURANT, Old Broad Street, London EC2A 3DP.

ART GALLERIES. AGNEW GALLERY, 5, St. James's Place, London SW1A 2DU.

OBITUARY. MANSFIELD, STANLEY WILLIAM of 91 Bedford Avenue, Sutton, Surrey.

OBITUARY. MANSFIELD, STANLEY WILLIAM of 91 Bedford Avenue, Sutton, Surrey.

INTERNATIONAL FINANCIAL NEWS

SEC investigates Burmah payments

BY JOHN WYLES
BURMAH OIL'S payment in 1975 of a \$3m. fee to Toussan Park, the South Korean businessman who was recently alleged to have been a member of his country's CIA, is part of a broadly based investigation into the affairs of the British company now under way by the U.S. Securities and Exchange Commission.

IMF BORROWING

Quotas of \$100bn. urged

BY FRANCIS GHILES
DR. IRVING FRIEDMAN, a known currently for his role in co-ordinating efforts to restructure the Zaire debt. These remarks were made during a seminar hosted by Finland's largest bank, Kansallis-Osake-Pankki, in Helsinki.

Setback for Stockholm market

BY WILLIAM DULLFORCE
STOCKHOLM, June 13. THE STOCKHOLM Stock Exchange to-day experienced its heaviest decline of the year with the Affarsvärlden general index falling 22.5 points, or 3.4 per cent, to a new 1977 low of 705.1 at the end of the morning trading.

'Feeble' sales at Solvay

By David Buchan
BRUSSELS, June 13. SOLVAY, the biggest Belgian chemical company, expects only a "feeble" growth in sales for this year and next. M. Jacques Solvay, the multi-national group's chairman, told shareholders to-day.

GERMAN COMPANIES

Karstadt sales remain sluggish

BY ADRIAN DICKS
KARSTADT, Europe's largest department store group, has followed its West German competitors in announcing a big drop in profits in 1976. Moreover sales remain sluggish this year and the company faces big investment expenditure in particular through its participation in the Neckermann retail and mail order concern.

AMERICAN NEWS

Seagram reports peak earnings

SEAGRAM COMPANY reports record operating income sales and net income for the nine months ended April 30 last. Operating income (net income before interest expense, unrealized foreign exchange gains and income taxes) for the quarter was \$47.7m., an increase of 6.5 per cent. over the \$44.7m. for the fiscal 1976 third quarter and for the nine months was \$154m., an increase of 11.3 per cent.



KOREA ELECTRIC COMPANY
US \$381,440,000 and £72,486,390

KO-RINUCLEAR POWER PLANT UNIT No. 2

THE KOREA DEVELOPMENT BANK
Guaranteed
A Seven Year Term Loan of
US \$132,900,000
Managed by
FIRST CHICAGO ASIA MERCHANT BANK LIMITED LAZARD BROTHERS & CO. LIMITED
AMEX BANK LIMITED BANK OF AMERICA NT & SA LLOYDS BANK INTERNATIONAL LIMITED
BANQUE EUROPEENNE DE CREDIT (BEC) MIDLAND BANK LIMITED
Co-Managed by
THE BANK OF NOVA SCOTIA. UNION DE BANQUES ARABES ET FRANCAISES-U.B.A.F.
Provided by
AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION BANK OF AMERICA NT & SA
FIRST CHICAGO HONGKONG LIMITED LLOYDS BANK INTERNATIONAL LIMITED
BNS INTERNATIONAL (HONG KONG) LIMITED
BANQUE EUROPEENNE DE CREDIT (BEC) MIDLAND BANK LIMITED
UNION DE BANQUES ARABES ET FRANCAISES-U.B.A.F.
THE NATIONAL BANK OF NEW ZEALAND
THE CHICAGO-TOKYO BANK EUROPEAN ASIAN FINANCE (HONG KONG) LIMITED
FIRST NATIONAL BANK OF ARIZONA, NASSAU BRANCH LASALLE NATIONAL BANK
THE SANWA BANK LIMITED UBFAF BANK LIMITED
UBAN-ARAB JAPANESE FINANCE LIMITED
EXPORT-IMPORT BANK OF THE UNITED STATES
Provided
US \$131,580,000
And a Further Guarantee of
US \$116,960,000
Under which funds will be provided by
PRIVATE EXPORT FUNDING CORPORATION (PEFCO)
EXPORT CREDITS GUARANTEE DEPARTMENT
Guaranteed
£72,486,390
Agent
FIRST CHICAGO LIMITED
KOREA MERCHANT BANKING CORPORATION
Assisted in this Transaction
This announcement appears as a matter of record only.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



SAGA PETROLEUM A.S. & CO.

U.S. \$50,000,000
MEDIUM TERM LOAN

MANAGED BY

CITICORP INTERNATIONAL DEN NORSKE CREDITBANK BERGEN BANK
GROUP
ANDRESENS BANK A/S UNION BANK OF NORWAY LTD

AND PROVIDED BY

CITIBANK, N.A. DEN NORSKE CREDITBANK (LUXEMBOURG) S.A.
THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED
COMPAGNIE FINANCIERE DE LA DEUTSCHE BANK AG CREDIT LYONNAIS
TEXAS COMMERCE BANK N.A. UNION BANK OF SWITZERLAND, LONDON
BERGEN BANK INTERNATIONAL S.A. ANDRESENS BANK INTERNATIONAL S.A.
BANQUE NORDEUROPE S.A.

DEN NORSKE CREDITBANK
AGENT

MAY 26, 1977

Handwritten signature/initials

INTERNATIONAL COMPANY NEWS

THE SECURITIES RAND

ESCOM attracts foreigners

BY RICHARD ROLFE IN JOHANNESBURG

SOUTH AFRICA'S "other currency," the Securities Rand, has been bid up from its 1977 low of 64 cents (U.S.) as high as 77 cents (U.S.) and after boiling over from the latter level, is now 74 cents (U.S.). Based on the official parity of \$U.S.1.15 to R1, this means that the Securities Rand rate, expressed as a discount, has narrowed from 44 per cent. at end 1976 to the recent low point of 22 per cent. Some brokers expect the trend to continue, and predict a further improvement to 30 cents (U.S.) or so, implying a further narrowing in the discount to about 22 per cent. It is interesting to note that the improvement which has occurred to date has been without any particular change in the outlook for the economy. The fundamentals of South Africa's political scene. All the same Securities Rands are held by non-residents, and are subject to unimpeded supply and demand factors, so the recent hardening in the currency can only mean that there are more buyers than sellers of South African securities as a whole. While the broad spectrum of overseas investment opinion is currently against

Sony to increase dividend

By Donald Maclean

SONY CORPORATION'S non-consolidated after-tax profit rose 26 per cent to a record ¥12,850bn. in first six months of its financial year, to April 30, from ¥10,150bn. in the same period last year. Sales gained 17 per cent, to a record ¥194,300bn., from ¥165,980bn. A dividend of ¥10 is recommended against ¥7.5. The records were achieved, according to the company, in spite of "difficult conditions," caused mainly by the world economy's slow recovery. Sony looked forward to reporting new peaks in its non-consolidated net sales and net income for the current year. Sony's consolidated earnings for the quarter and half year ended April 30 are due to be announced on Monday.

New Swire Prop. stock active

By Daniel Nelson

HONG KONG, June 13. ABOUT 300,000 Swire Properties shares changed hands on the Hong Kong stock exchange in the opening minutes of the first days trading since its flotation of 55m. new shares. The closing price was HK\$2.85 compared with the issue price of HK\$2.75.

Japanese equity values world rankings

TOKYO, June 13.

Table with 4 columns: Name, Ranking, Equity value \$bn., % rise. Includes Toyota Motor, Nissan Motor, Matsushita, Nippon Steel, Hitachi, Sony, etc.

Japanese equities rank higher

BY DOUGLAS RAMSEY

JAPANESE companies moved strongly upwards in the ranks of world-class corporations in 1976 as reflected in the worth of their equity shares outstanding on world Stock Exchanges, according to a survey by the magazine Nikkei Business. Since 1972 the bi-weekly has published a unique annual survey of the top 1,000 companies in the world. On the basis of share values at last December on its 21 major stock exchanges worldwide, Nikkei Business calculates in dollars the equity "size" of major public corporations. IBM again came in first in 1976 with a total value of stock estimated at \$41.8bn. All top 10 companies in the survey were American. For the first time, however, a Japanese company - Toyota Motor - crashed the ranks of the top 25. Toyota more than doubled (up 117 per cent.) the total value of its stock on major exchanges to \$2.1bn. Further down the list, at No. 53, is Nissan Motor with total stock value estimated at \$3.1bn. (up 92.5 per cent.). Among Japanese companies, Toyota remained on top from the year before, but Nissan climbed from fifth to second place. Matsushita Electric Industrial remained in third place with equity shares valued at \$2.7bn. but Nippon Steel dropped from second to fourth with shares worth an estimated \$2.6bn. According to Nikkei Business, American companies accounted for 576 of the top 1,000 on its list, more than ever before. Japan ranked second with 172 companies and Britain stayed third on the list but dropped from 73 to 52 companies. Japanese interest in "total equity value" is increasing as a result of the need to "make friends" in export markets by listing on foreign stock exchanges. In the 1960s Sony, which ranks sixth among the Japanese companies, pioneered the trend towards attracting overseas shareholders as an essential part of the export sales effort. More recently, Honda Motor has gone strongly into American and European depositary rights.

MEDIUM TERM CREDITS

Another \$200m. for Mexico

BY FRANCIS GHILES

NACIONAL FINANCIERA, the State-owned Mexican development bank is raising \$200m. through a consortium of banks led by Libra Bank and Lloyds Bank. The amount will be increased if reception is good. Participating banks have a repayment option every two years and final maturity is ten years. The interest rate over Libor rises from 1 1/2 per cent for the first two years to 1 3/4 per cent for the following two, 1 1/2 per cent for the third and 1 1/4 per cent for the last two periods of two years. Libra Bank believes there is growing confidence in the Mexican economy and apart from the front end fee is offering participating banks a sweetener in the form of a further fee on first renewal. This means that the effective margin for the first six years will be 1 1/2 per cent over Libor rising to 1 1/4 per cent for the last four. Redemptions will remain anonymous and banks which do not wish to renew will simply have to inform the agent bank which will then be obliged to reveal the name of the bank to the borrower. These terms are not noticeably different from those obtained by Mexico for the Banco Nacional de Obras a few weeks ago: 1 1/2 per cent over Libor for the first two years rising to 1 1/4 per cent for the last three. Nacional Financiera's last venture into the market was a private placing of 6m. Bahraini dinars of five year notes bearing an 8 1/2 per cent interest rate. Mexico's Banco Nacional de Credito Rural has raised Sw.Frs.90m. through a group of banks led by Singer and Friedlander AG in Zurich. Maturity is five years and the spread over Libor is five years with a minimum interest rate of 6 1/2 per cent. Meanwhile it is now known that all Mexican loans booked with U.S. banks 4 1/2 per cent are due to mature in the twelve months to the end of 1977. Another Latin American Bank has signed a loan in Swiss Francs, again through Singer and Friedlander in Zurich: Banco Nacional de Cuba raised Sw.Frs.50m. for five years at a margin understood to be 1 1/4 per cent over Libor. The minimum interest rate is 6 1/2 per cent. The advance of borrowing in Swiss Francs, for the Mexicans as for the Cubans is that the interest rate on six month money is at least 2 percentage points lower at the moment than if they were raising the money in U.S. dollars. The \$500m. International In-

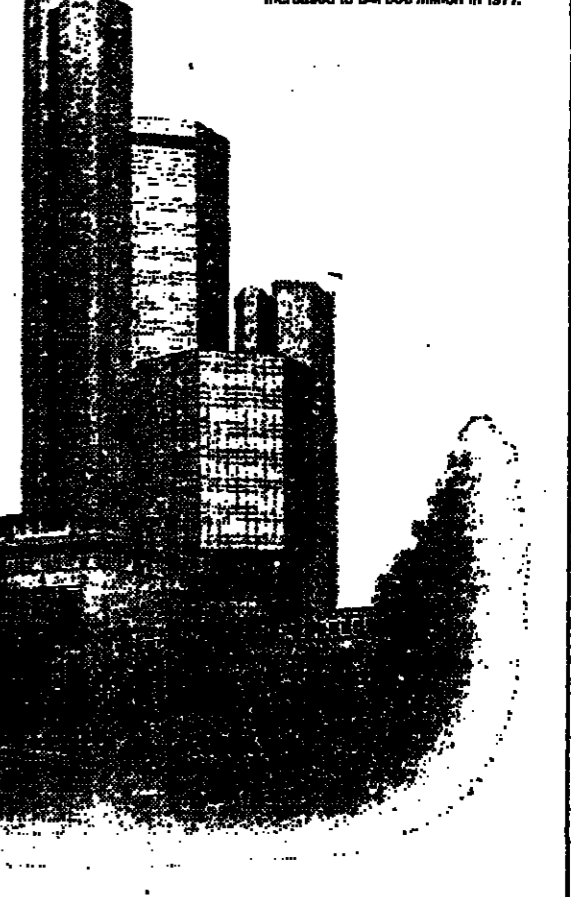
vestment Bank loan being raised through a consortium of banks led by Dresdner Bank will be signed tomorrow in Frankfurt. Terms are unchanged: maturity of 6 1/2 years and a split rate of 1 1/4 per cent over Libor. Nineteen banks have underwritten the loan for \$26.6m. each but Dresdner Bank is understood to have sold \$140m. on the open market so the respective commitments of the underwriters are expected to be decreased. The terms are viewed as favourable in Moscow but have not surprised the market. Spreads are coming down and more and more countries are being successful in raising money at under 1 per cent over Libor. This loan is the first attempt by Comecon banks to raise a loan on the market since the collapse earlier this year of loan negotiations for the International Bank for Economic Co-operation, the other Moscow based Comecon bank. The IBEC loan fell through shortly before it was to be signed when lawyers expressed doubts whether the bank could be held accountable for any default under British law. The present loan will be registered under German or Luxembourg law and this appears to have removed the difficulties raised earlier this year.

A new era at Hessische Landesbank

- Financial base strengthened substantially - Client-oriented restructuring of service facilities

After several years of difficulties resulting primarily from real estate loan losses, Hessische Landesbank is taking important steps to reshape the course of its activities. In 1976, the Bank's guarantors - the State of Hesse and the State's Sparkassen and Giro Association - provided additional funds amounting to DM 1.954 billion. These funds have substantially strengthened the Bank's overall financial capacity and at the same time enabled full adjustment for loan losses accrued during adverse periods in past years. In addition, Hessische Landesbank benefited earlier this year from an increase in capital of DM 100 million. Capital resources now amount to DM 806 million. The Bank's new management, an enterprising team of experienced professionals, is firmly committed to pragmatic banking principles and to a consistent pattern of measured growth. It has increased its business in its traditional areas of activity. At the same time, numerous improvements in the Bank's infrastructure have been made, and further new concepts to broaden its facilities are being introduced to serve the diversified needs of a growing clientele. Headquartered in Frankfurt, Hessische Landesbank ranks among West Germany's top ten banking institutions. Concentrating on wholesale banking, it offers a broad range of domestic and international services including trade financing, foreign exchange dealing, leasing and factoring, security dealing and underwriting operations. Refinancing is facilitated through issuing own bearer bonds. Hessische Landesbank is a government-backed regional bank and acts as banker to the State of Hesse and liquidity manager for the savings banks organization (local universal banks) in Hesse.

Financial Highlights table with columns for DM million, 1975, 1976. Rows include Balance sheet total, Short-term assets, Long-term lending, etc.



Hessische Landesbank Junghofstrasse 18-26, D-6000 Frankfurt/Main Telephone: 0611/32-1 Girozentrale Telex: 0411933 Cable: Girozentrale

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns: Bid, Offer, Bond Name, Bid, Offer. Lists various Eurodollar bonds like Straights, Floating Rate Notes, etc.

WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

Fully steady after modest rally

BY OUR WALL STREET CORRESPONDENT

THE STOCK MARKET extended Friday's rally to record a small gain in moderate trading. Traders were pleased by the outlook for short-term interest rates which are expected to remain stable over the near term in view of the recent slow-down in the money supply growth.

Another factor supporting the market recently has been reliance by the Blue Chips barometer to dip much below the 900 level.

MONDAY'S ACTIVE STOCKS

Table listing active stocks on Monday, including Dow Jones Industrial Average and NYSE index.

The Toronto Composite Index advanced 4.8 points to 2211.3, with 25 out of 25 stocks rising.

The volume leader, advanced 25 points to 2211.3, with 25 out of 25 stocks rising.

Among Blue Chip and Glamour leaders were IBM, up 2 1/2 to \$253.75, Digital Equipment up 1 1/2 to \$240.

OTHER MARKETS

Table listing other market indices such as Dow Jones, NYSE, and various international indices.

Gold declines

Gold continued to lose ground in the London bullion market yesterday, closing at \$138.13, a fall of \$2 from Friday.

The franc's premium over gold content widened to 3.22 per cent from 2.93 per cent for domestic and international delivery.

Trading in the foreign exchange market was also quiet, with sterling remaining within a range of \$1.7182-1.7196, before closing at \$1.7182-1.7196, a rise of 6 points on the day.

There was little change in most of the other major currencies, with the Japanese yen fairly steady over the day.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates for major currencies like USD, GBP, JPY, etc.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various terms and currencies.

GOLD MARKET

Table showing gold market prices for London and other locations.

Table showing foreign exchange rates for various countries.

SPECIAL DRAWING RIGHTS TABLE

Table showing special drawing rights for various countries.

FORWARD RATES

Table showing forward rates for various currencies.

OTHER MARKETS

Table showing other market data and prices.

OVERSEAS SHARE INFORMATION

Large table providing detailed information on overseas shares, including company names, prices, and dividends.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'When I Queen V...' and 'London Metal'.

Handwritten text at the bottom of the page: 'JUN 14 1977' and 'LONDON METAL'.

FARMING AND RAW MATERIALS

Fresh gains at London tea sales

EXPORT demand for Sri Lankan tea pushed up prices for quality grades at yesterday's London auction. However, trade sources commented there was little available of the light grade.

EEC move to curb Irish cattle sales to Ulster

THE COMMON Market's monetary compensatory amount export subsidies on exports of live cattle from the Republic of Ireland to the north are to be suspended from Wednesday. The suspension was approved by the Brussels Commission in an attempt to staunch the flow of Irish cattle across the border to abattoirs in Northern Ireland.

Sugar talks to start next month

LONDON-BASED representatives of the principal sugar importing and exporting nations meet informally in London to-day to set the agenda for a further session of the UN sugar conference.

U.S. COMMODITY MARKETS Zinc producers fight N.Y. futures plan

ZINC FUTURES trading may return to the Commodity Exchange Inc. in New York but only over the protestations of zinc producers and consumers alike.

Potato record in Cyprus

Mr. Peter Banyard, president of the London Teabrokers Association, said demand was good for the other grades with prices rising slightly.

Coffee prices at five-month low

THE DECLINE in London coffee futures accelerated yesterday taking prices to the lowest levels for nearly five months.

Rubber pact 'task force'

A SPECIAL "task force" made up of representatives from leading producers and users of natural rubber, is to report by the end of the month.

Copper down despite stocks fall

A BIGGER than expected fall in copper stocks held in the London Metal Exchange warehouses brought a firmer tone in early trading on the market yesterday.

Guyana bauxite problems

THE GUYANA bauxite industry had a slight increase in sales last year but a steep decline in profits, mainly due to reduced demand from Europe and the U.S.

Potatoes in Cyprus

Potatoes have become the island's main agricultural export in recent years, replacing citrus. Potato exports last year brought in £17.7m.

U.K. FISHMEAL

U.K. production of fishmeal last year was 81,179 tonnes and 15th body oils 16,782 tonnes.

Cocoa prices also declined

Cocoa prices also declined in London yesterday as a hesitant mood replaced the recent buoyancy which had been encouraged by a growing shortage of supplies available for nearby delivery.

SOYABEAN MEAL

Market opened £2.00 down with interest in physicals. Prices drifted to reach limit down in mid-afternoon.

PRICE CHANGES

Table with columns for Metals, Grains, and other commodity price changes.

COMMODITY MARKET REPORTS AND PRICES

Large table listing various commodities (Copper, Tin, Zinc, Lead, etc.) with their prices and market reports.

GRAINS

Table listing grain prices including Wheat, Barley, and Oats.

WOOL FUTURES

Table listing wool futures prices for various types of wool.

JUTE

Table listing jute prices and market information.

MEAT/VEGETABLES

Table listing prices for various meats and vegetables.

COTTON

Table listing cotton prices and market reports.

GRINSEY FISH

Table listing prices for various fish products.

Advertisement for Rudolf Wolff & Co. members of the London Metal Exchange, featuring a portrait of Queen Victoria and text about their history and services.

Advertisement for LONDON COMMODITY CHARTS, providing a service for tracking commodity prices and market trends.

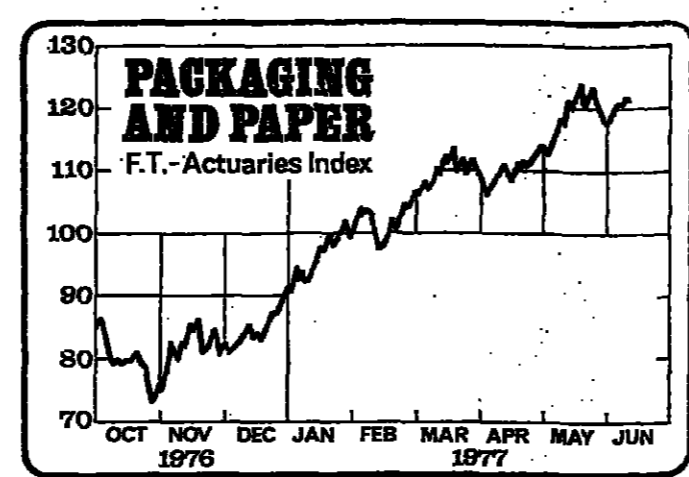
Advertisement for FINANCIAL TIMES, featuring a portrait of a man and text about their market reports and financial news.

STOCK EXCHANGE REPORT

Buyers continue to hold off at start of new Account Equity leaders narrowly mixed with index 1.3 off at 448.1

Account Dealing Dates... First Declared Last Account... Official markings of 4.727, failed to move away from last week's 4.725...

various clients at a price around 23p per share... Mackintosh moved up 4 to 26p... while renewed speculative interest lifted J. Bibby 3 to 15p...



Restaurants, 5 higher at 150p... Hotels and Caterers were idle and little changed... De La Rue higher... A rather quiet and indecisive day in the miscellaneous industrial leaders was reflected in mainly small and irregular closing movements...

had reached agreement in principle with Bank Bridge... regard to the settlement of the debt of 570,025 due to Dizan from Marling Securities...

BP on offer... British Petroleum were a rather dull and nervous market ahead of details expected to-day of the proposed share sale...

Golds down again... Reports of a civil disturbance in Johannesburg caused South African Gold Shares to come under additional selling pressure...

Investment Trusts were notable for further strength in the four companies for which investment trust managers Leopold Joseph is seeking views of returning to shareholders...

Shipping drifted gently lower and closed at, or near, the day's lowest... P and O Deferred eased 4 to 157p, while Ocean Transport, 158p, and Redfern Smith, 150p...

David Dixon featured Textiles with a rise of 7 to 44p on the announcement that the company had reached agreement in principle with Bank Bridge...

David Dixon featured Textiles with a rise of 7 to 44p on the announcement that the company had reached agreement in principle with Bank Bridge...

FINANCIAL TIMES STOCK INDICES table with columns for various indices like Government Secs, Fixed Interest, Industrial Ordinary, Gold Mines, etc., and their values for June 13, 1977.

HIGHS AND LOWS table showing high and low prices for various stocks on June 13, 1977.

NEW HIGHS AND LOWS FOR 1977 table listing new high and low prices for various stocks throughout the year 1977.

OPTIONS TRADED table showing details of options traded on June 13, 1977, including deal numbers, last prices, and settlements.

RISES AND FALLS YESTERDAY table showing the percentage changes in various stock indices and sectors on June 13, 1977.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

Entertainment Guide listing various theatres and their current productions, including Opera & Ballet, Theatres, and specific plays like 'The Good Person of Szechwan' and 'The Glass Menagerie'.

RECENT ISSUES

Table of recent issues for various companies, including issue price, amount, and dates.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for stock name, price, and change.

"RIGHTS" OFFERS

Table of rights offers for various companies, including issue price and terms.

ACTIVE STOCKS

Table of active stocks with columns for stock name, price, and change.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table of FT-Actuaries Share Indices, including Equity Groups, Fixed Interest Price Indices, and All-Share Index, with columns for index values and changes.

JAP/10/50

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts including Abbey Unit Tr. Mgrs. Ltd., Allied Hambro Group, Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., Henderson Administration, Practical Invest. Co. Ltd., and many others.

Table of Offshore and Overseas Funds including Arbuthnot Securities (C.I.) Limited, Fidelity Mgmt. & Res. (Bda.) Ltd., Kemp-Gee Management Jersey Ltd., and various international investment funds.

Table of Base Lending Rates for various banks including A.B.N. Bank, Allied Irish Banks, American Express Bank, and others.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds including Abbey Life Assurance Co. Ltd., Equitry & Law Life Ass. Soc. Ltd., and various life and property insurance policies.

Table of Cinemas listing venues such as The Lyric Theatre, The Grand Theatre, and various local cinema houses.

Table of Theatres (Cont) listing venues like The Lyric Theatre, The Grand Theatre, and other performing arts venues.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101
Index Guide as at 31st May, 1977 (Base 100 at 14.7.77)
Clive Fixed Interest Capital ..... 113.83
Clive Fixed Interest Income ..... 112.47

INSURANCE BASE RATES
Property Growth ..... 91%
Canon Assurance ..... 51%
Address shown under Insurance and Property Base Rates.

**Exporting is easier with NO LANGUAGE PROBLEMS**  
Interested in International Factors Limited  
Green House, New England Road, Brighton BN1 4GZ.  
Tel: (0273) 827874 or 827881. Telex: 52317. Cable: 52317. Fax: 52317.  
14, Bishopsgate, London, E.C.2A 3EU

### BRITISH FUNDS

Stock	High	Low	Stock	High	Low
Shorts (lives up to Five Years)			1000000000	100.00	100.00
Prudential (1997)	105.50	104.50	1000000000	100.00	100.00
Investment (1997)	100.00	99.50	1000000000	100.00	100.00
Prudential (1996)	100.00	99.50	1000000000	100.00	100.00
Investment (1996)	100.00	99.50	1000000000	100.00	100.00

### INTERNATIONAL BANK

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### CORPORATION LOANS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### COMMONWEALTH & AFRICAN LOANS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### LOANS (Miscellaneous)

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### FOREIGN BONDS & BILLS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### AMERICANS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### CANADIANS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### BANKS AND HIRE PURCHASE

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### BEERS, WINES AND SPIRITS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### DRAPERY AND STORES

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### ENGINEERING, MACHINE TOOLS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### FOOD, GROCERIES, ETC.

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### HOTELS AND CATERERS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### INVESTMENT TRUSTS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### BUILDING INDUSTRY - Continued

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### CHEMICALS, PLASTICS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### CINEMAS, THEATRES AND TV

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### DRAPERY AND STORES

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### BUILDING INDUSTRY, TIMBER AND ROADS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### DRAPERY AND STORES - Continued

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### ELECTRICAL AND RADIO

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### ENGINEERING, MACHINE TOOLS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### FOOD, GROCERIES, ETC.

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### HOTELS AND CATERERS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### ENGINEERING - Continued

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### FOOD, GROCERIES, ETC.

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### HOTELS AND CATERERS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

### INVESTMENT TRUSTS

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

Stock	High	Low	Stock	High	Low
1000000000	100.00	100.00	1000000000	100.00	100.00

السوق المالية



Handwritten signature or mark at the top right of the page.

YASUDA TRUST AND BANKING logo and contact information.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Leyland, Ford, and various engineering firms.

MOTORS, AIRCRAFT TRADES

Table of stocks in the motors and aircraft trades sector, including companies like British Leyland and Ford.

PROPERTY—Continued

Table of property-related stocks and investment trusts.

TRUSTS—Continued

Table of various investment trusts.

TRUSTS—Continued

Table of various investment trusts.

MINES—Continued

Table of African mines stocks.

AUSTRALIAN

Table of Australian stocks.

TINS

Table of tin stocks.

OVERSEAS TRADERS

Table of overseas trading companies.

COPPER

Table of copper stocks.

MISCELLANEOUS

Table of miscellaneous stocks.

NOTES

Notes section providing details on dividends, interest rates, and other financial information.

SHIPPING

Table of shipping stocks.

SHOES AND LEATHER

Table of shoes and leather stocks.

SOUTH AFRICANS

Table of South African stocks.

TEXTILES

Table of textile stocks.

RUBBERS AND SISALS

Table of rubber and sisal stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks.

TOBACCO

Table of tobacco stocks.

TEAS

Table of tea stocks.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stocks.

RECENT ISSUES AND RIGHTS

Text regarding recent issues and rights for various securities.

PROPERTY

Table of property stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks.

FAR WEST RAND

Table of far west rand stocks.

REGIONAL MARKETS

Table of regional market data.

OPTIONS

Table of options and call rates.

INSURANCE

Table of insurance stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

